FBIS DAILY REPORT

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CONTADORA GROUP DEFEATS MEXICO LEADERSHIP BID

PY201930 Madrid EFE in Spanish 1100 GMT 20 Dec 86

[By Jorge Matiz F.]

[Text] Rio de Janeiro, 20 Dec (EFE) -- After 2 days of meetings in this city, the eight countries of the Contadora Group and its support group, which are seeking peace in Central America, let it be clearly understood that they are not willing to accept the leadership of any Latin American country.

This was shown by the decision of the eight foreign ministers from Argentina, Brazil, Colombia, Mexico, Panama, Peru, Uruguay, and Venezuela to create a permanent consultative "mechanism" to deal with issues other than the initially proposed question of Central America.

This decision soundly defeated the intentions of a group of countries, headed by Mexico, which arrived at the Rio de Janeiro meeting with a proposal to create a new Inter-American organization to replace the OAS, without the presence of the United States.

One of the foreign ministers who participated in the 2 days of discussions revealed that the 10-page proposal was strongly supported by Peru, and "to some extent by Argentina."

He said: "We could not permit this to happen. After having decided to strengthen the OAS we could not come to Rio and create another organization."

This question divided the foreign ministers into two groups: those who supported the proposal (Argentina, Peru, and Mexico), and those who opposed it (Brazil, Venezuela, and Colombia).

Panama and Uruguay appeared to be neutral in the discussion that several times threatened to force the ministers to extend the "summit" of ministers that had originally been planned to last only 2 days.

It was even officially announced to newsman that the document on the creation of the cooperation mechanism would not be released until the afternoon of Friday, 19 December.

The source revealed: "With great cordiality we succeeded in reducing the length of the document to 2 pages and in promoting the view that the OAS should not disappear."

The Rio de Janeiro debate clearly showed Mexico's effort to assume to leadership of the two groups through bold proposals and constant "off the record" (unofficial) contacts with international newsmen.

"If someone wants the leadership, I would answer by asking him how he can hope to obtain that leadership by arriving at a meeting with a document [passage indistinct].

REPORTAGE ON 'FULL STOP' BILL APPROVAL, CRITICISM

Chamber Changes, Approves Text

PY260300 Buenos Aires LA PRENSA in Spanish 24 Dec 86 p 1, 4

[Text] The following is the text of the full stop bill which last night was approved by the Chamber of Deputies. The articles of the original bill submitted by the executive branch to the Senate are included in parenthesis to compare the changes made by the national Congress.

Article 1. Legal action against any person for his alleged participation to any degree in the crimes established by Article 10 of Law 23049 who is not at large or declared in contempt of court, or who has not been ordered to testify by an appropriate court 60 days before the promulgation of this law, will be annulled.

Legal action against any person who committed crimes linked to the implementation of violent political action until 10 December 1983 will also be annulled under the same conditions.

(Article 1. Legal action against any member of the Armed Forces, security, police and penitentiary organizations for his alleged participation, to any degree, in crimes which may have been committed as a result of, or during the events involving repression until 10 December 1983, or who has not been ordered to testify by an appropriate court within 60 days from the promulgation of this law, or who has testified, but is not being tried or was not tried within that period, will be annulled.)

Article 2. Within the terms established by Article 1, the appropriate federal courts will be able to examine the cases being processed by the Armed Forces Supreme Council and take over the cases if necessary.

The accusations made under those terms to the Armed Forces Supreme Council must be reported within 48 hours by the Armed Forces Supreme Council to the appropriate federal court which must examine them and take over the case if necessary.

(Article 2. Within the terms established by Article 1, the appropriate federal courts will be able to examine the cases being processed by the Armed Forces Supreme Council and take over the cases in accordance with the last paragraph of Article 10 of Law 23049.)

Article 3. When, as a result of the cases being tried, an order is given for the arrest or preventive custody of an active duty member of the Armed Forces, or security, police and penitentiary organizations, whatever his rank, in accordance with Articles 373 to 375 of the Penal Procedure Code or Articles 309 to 318 of the Military Justice Code, such order will be implemented according to Clause 2, Article 315 of the Military Justice Code upon petition by the chief of the individual's unit or any other superior officer. In this case the superior officer will be responsible for immediately presenting the accused to the court whenever the court requires it.

(Article 3. Any accusation such as that described in Article 1, which has not been presented to the courts by the time of the promulgation of this law can be submitted to the Armed Forces Supreme Council within the first 30 days established in that Article. After that time, the legal action will be annulled.)

Article 4. The terms of Article 1 do not apply when questions of jurisdiction between the Armed Forces Supreme Council and the federal courts or between the federal courts, as well as the pending motions preclude the court from deciding whether there are sufficient grounds to order an investigation. The time it takes for the appropriate federal court to notify the Armed Forces Supreme Council of the court's requirements, according to Article 2, and the time it takes for the case to get to the federal court, will not be computed.

Article 252 bis, the last part of the Military Justice Code will not apply to Article 1.

(Article 4. When as a result of the cases being tried an order is given with regard to active duty personnel, whatever his rank, in accordance with measures established in Title XVII, Book II of the Code of Penal Procedure, or in Title VII, Section II of Book II of the Second Volume of the Military Justice Code, such a measure will be implemented in accordance with Clause 2 of Article 315 of the Military Justice Code upon a petition by the chief of the individual's unit, or any other superior officer will be responsible for immediately presenting the accused to the court whenever the court requires it.)

Article 5. This law does not annul the legal actions in the cases of crimes involving the substitution of civil status [estado civil].

(Article 5. Article 1 will not apply to questions of jurisdiction. The time it takes for the appropriate federal court to notify the Armed Forces Supreme Council of the court's requirements, according to Article 2, and the time it takes for the case to get to the federal court, will not be computed.)

Article 6. The annulment established by Article 1 does not include civil actions.

(Article 6. Notify the executive branch.)

PC Criticizes Deputies' Action

PY271715 Buenos Aires DYN in Spanish 2235 GMT 26 Dec 86

[Text] Buenos Aires, 26 Dec (DYN) -- The Communist Party (PC) today termed the approval of the "full stop" bill as "a manifest betrayal of the people's will, which was expressed in the ballot boxes." The PC also harshly criticized the ruling party lawmakers for voting for the bill, and the Peronist lawmakers of the renewal faction for not taking part in the congressional debate on the issue.

In a news conference, the PC said that "the people do not understand the government's reasons for pushing the bill through, but realize that the reason might be the government's belief in the doctrine of democracy through security, a belief which is so characteristic of imperialists and their local supporters." The PC added that "the ruling party lawmakers who voted for this unspeakable bill are accomplices to and responsible for the serious consequences that this bill has for Argentine democracy."

"The responsibility for these consequences has to be shouldered by the members of the Peronist renewal faction, who seek to satiate their greedy appetites for votes by avoiding the congressional debate, thus not having to reveal the names of those responsible for the infamous actions perpetrated during the de facto regime," the PC added.

The PC concluded by thanking "those who have repudiated the 'full stop' bill by voting against it," and added that "the backward, McCarthyite proposal of the Democratic Centrist Union [UCD], which is led by the regrettably notorious Alsogaray, shows that, besides seeking more votes, the UDC is being faithful to its reactionary line, which goes against the interests of the people."

Alfonsin Signs Bill Into Law

PY272114 Buenos Aires BUENOS AIRES HERALD in English 27 Dec 86 p 1

[Text] (NA-DYN) -- President Raul Alfonsin signed into law the full stop bill passed by Congress which set a 60-day deadline for summoning people to face charges of human rights violations during the former military regime.

The President flew to Mar del Plata on vacation later yesterday.

The bill was countersigned by Interior Minister Antonio Troccoli, who also signed as interim justice minister, and Defense Minister Horacio Jaunarena.

The controversial bill, which has brought sharp reaction from human rights groups and even from members of the ruling Radical Party, was backed yesterday by Interior Ministry Secretary Facundo Suarez Lastra who said he was convinced the "silent majority" was in favour of it.

"If we had tried to issued an amnesty we wouldn't have had the support of the people, but the parliamentary debate perfectly clarified that the purpose was to speed up the trials of military personnel and civilians accused of violating human rights," Suarez Lastra said.

The bill, as modified by the Senate, will benefit not only the military and security forces involved in the repression of left-wing subversion but also the guerrillas who operated up to December 10, 1983, the date on which Alfonsin took office.

The law however, does not benefit persons involved in the disappearance of minors whose parents disappeared during the dirty war against leftwing subversion.

Although the "full stop" law officially bears the date of December 24, 1986, it will not be enforced until its publication in the OFFICIAL GAZETTE (Boletin Oficial) which had not been issued for more than a week because of a labour conflict to press wage demands.

Reliable sources said no law can be enforced until one day after its publication in the OFFICIAL GAZETTE.

But other sources claimed the mere fact that the text of the law was published in some newspapers effectively puts it into force.

Questioned on whether he felt comforted by the fact that the law, which he himself had struggled to put through Congress, was finally issued, Alfonsin replied: "I will feel comforted when my six-year mandate is up and I hand over the presidential sash."

Daily Denounces Passage of Law

PY262132 Buenos Aires BUENOS AIRES HERALD in English 26 Dec 86 p 10

[Editorial: "A Paradox"]

[Text] The speed with which the so-called "full stop" legislation to end trials against military men accused of human rights violations committed on a massive scale from the mid to late 1970s has moved through Congress is not, from a political point of view, surprising. This issue is, without a doubt, one of the hottest political questions the Alfonsin administration will have to face in its term in office. Thus, the government has done everything within its power to push the bill through. But from a moral standpoint, it is incredible that the piece of legislation has been handled with such rapidity and superficiality by the elected representatives of the people. Arguments in favour of the legislation have been facile and irrational. And most arguments against it have been irritatingly void of obvious and convincing points that might have swayed those whose votes hung in the balance. This, coupled with the fact that the most traditional sector of the major opposition party had a great deal to lose -- given its early proximity with the events leading to the "dirty war" -- by opposing the government-backed initiative have made for an easy ride through Congress for the "full stop."

There is a very real paradox between the attitude which has been taken by the supporters of the "full stop" (in the major political parties' leadership, in the Roman Catholic Church hierarchy and in certain sectors of the press) in comparison with the attitude taken by many members of these same institutions with regard to divorce. These people -- the ones who are staunchly opposed to divorce and blindly supportive of the "full stop" -- seem to miss the irony in their stance. How can it be that those who see the legal possibility of ending bad marriages with decorum as a threat to the cohesion and integrity of Argentine society -- the very bishops who would ex-communicate legislators who feel it their duty to vote for divorce, the hardline lawmakers who would vote against divorce on the basis of moral conviction -- are the very same people who find mass murder, torture, disrespect for rule of law and arrogant disdain for human rights at all levels (to say nothing of sedition) excusable crimes? How can leaders of public opinion, who find divorce so distasteful that they tried to block even the discussion of it in Congress, consider heinous crimes against man, civilization and society a matter to be rushed through and limited to immediate action for the sake of political expediency?

Something is very wrong, frighteningly amiss when a society will permit its basic ethics to be bent to fit the political goals of self-interested sectors. There is a very real danger to the social fabric when whatever is easiest is considered most correct. And there is something perverse about compromising the future integrity and moral strength of the democratic system in return for a snatch of fragile tranquility in the immediate term. The "full stop" is unethical, immoral and a threat to the independence of this fledgling democracy. But it has, nevertheless, been made law.

MINERS PROTEST CLOSURE OF STATE-OWNED MINES

PY221700 Madrid EFE in Spanish 0142 GMT 22 Dec 86

[Excerpts] Lima, 21 Dec (EFE) -- Thousands of dismissed miners today marched along the streets of the mining districts of La Paz, Potosi, and Oruro, protesting the government's decision to close state-owned mines. The marchers thus commemorated miners' day and the anniversary of the nationalization of the mines, on a day when 19,000 miners' families are deploring the loss of their income. [passage omitted]

In a document released today, the miners claim that the new economic policy of the ADN-MNR (Banzer-led Nationalist Democratic Action and Nationalist Revolutionary Movement) government as of August 1985 has resulted in the dismissal of thousands of miners. In a message addressed today, Mines Minister Jaime Villalobos said that the executive branch will strive "to preserve the nationalization of the mines," which was declared on 21 December 1952 to commemorate the Catavi massacre. [the killing of protesting miners in Catavi on 21 December 1942]

Miners on Hunger Strike

PY221836 La Paz La Red Panamericana in Spanish 1700 GMT 22 Dec 86

[Relay by Cristina Corrales]

[Excerpt] The relocated miners have just gone on hunger strike because the government has refused to hear their requests and because they have not been able to be received by the mines and metallurgy minister. In desperation, the 4,000 relocated miners who are in La Paz have gone on hunger strike in three groups in La Paz with others in Oruro and Cochabamba, since the strike is nationwide. This has been reported by the National Relocated Miners Committee. Manuel Hernandez Beizaga, secretary general of that committee, will make a statement.

[Begin Hernandez recording] I want to inform the workers in general, and the public in particular, that the relocaled miners have initiated a nationwide hunger strike. The hunger strike was started in La Paz by three groups: One at the San Andres University with miners from Catavi and Siglo XX; one at the Miners Federation headquarters, with miners from Corocoro and Caracoles; and one more group that will start the strike at the Factory Workers Federation and the Tupac-Catari Peasants Union. We will continue to organize more groups and take this occasion to call on all our fellow miners to join this strike in an orderly manner. Also I want to thank the Panamerica newsmen and all the press for covering our movement. [end recording] [passage omitted]

Minister, Labor Leader Comment

PY2761704 La Paz La Red Panamericana in Spanish 1130 GMT 27 Dec 86

[Excerpts] Interior, Migration, and Justice Minister Fernando Barthelemy has said that the government has the support of the Constitution and will not permit any actions, such as blocking railroads and highways, that may disturb public order and harm the citizens.

In statements made yesterday at Government Palace, the minister referred to the measures of pressure announced by the mineworkers in support of the relocated workers who are on a hunger strike here in La Paz. The strikers are demanding that the government comply with earlier agreements.

[Begin Barthelemy recording] We will absolutely not permit the blocking of railroads and highways. In any case, the Constitution authorizes the Armed Forces to intervene, under orders of the president, to restore order if the police forces are unable to do so. [end recording]

The hunger strike, an extreme measure undertaken by former mineworkers together with their wives and children, threatens to take a more serious turn and become a large-scale social conflict. This development has prompted Radio Panamericana newsmen to ask Minister Barthelemy if this situation might not destabilize the government.

[Begin Barthelemy recording] You need not doubt the fact that the current government will complete its 4-year term. We have the means, the laws, and the Constitution, and we have the forces to defend the government. Those who believe that they can overthrow a government by these measures are living under delusions. The only thing that is true is that they are creating more problems and making the recovery of the country more difficult. [end recording]

These were the statements made by Interior Minister Fernando Barthelemy.

Meanwhile, Victor Lopez, executive secretary of the Mineworkers Federation, has termed as irresponsible the way in which the government handles the problems of the relocated mineworkers. He denied that the current hunger strike is being organized by extremists, because the mines and planning under secretaries went to the picket lines and were told by the grassroots that the hunger strike will continue. Victor Lopez stated that the mines minister is the only extremist, since he has taken extreme measures against the workers, dismissing over 20,000 mineworkers.

The Mineworkers Federation presented the government with a plan stating that an investment of $29 million would lead to the recovery of $160 million, but the mines minister did not even look at the five-volume study written by a group of specialists. That plan was viable and it did not involve the social cost of improvisations, on which $40 million has been spent uselessly without averting serious consequences, Lopez said. He added that the mines minister, who wishes to transfer the mines to the private sector, has attempted to disorganize the workers through a number of pressures that forced the workers to resign.

Lopez then said that the government has always postponed the solution to the problem, using a number of arguments that have been publicized in a suitable manner and supported by mineworkers who are members of the Nationalist Revolutionary Movement. He explained that the Mineworkers Federation has never struggled for greater social benefits for the workers, but rather, and from the beginning, for maintaining the Mining Corporation of Bolivia as a state enterprise, and for a guarantee that this source of jobs should remain in the hands of the state. [passage omitted]

Yesterday, the Catholic Church announced its decision to mediate in the conflict which has become one of the most serious ones in the country.

FOLHA SURVEY SHOWS SARNEY'S POPULARITY DROPPING

PY252309 Sao Paulo FOLHA DE SAO PAULO in Portuguese 24 Dec 86 p A5

[Text] Most residents of Sao Paulo want the constituent assembly to reduce President Jose Sarney's term in office, which according to the current Constitution is 6 years (until 1990). This was the result of a FOLHA survey conducted in Sao Paulo on 16 December. Out of the 1,049 people that DataFOLHA interviewed, 69 percent want it reduced to 3 years (and direct elections in 1987), 26 percent say 4 years is long enough, and 9 percent want it cut down to 5 years. Only 27 percent of those interviewed want the current 6-year term in office maintained.

Those residents of Sao Paulo who sympathize with the PMDB [Brazilian Democratic Mobilization Party] have the highest percentage of believers in the 6-year term in office (36 percent). Meanwhile, 63 percent of them want Sarney's term reduced: 24 percent to 3 years, 27 percent to 4 years, and 12 percent to 5 years. Among the supporters of the PT [Workers Party] 87 percent want the constituent assembly to reduce Sarney's term in office: 51 percent want it to be 3 years, and only 12 percent agree with the 6-year term in office. Even broken down by sex, age or education levels, there are few differences among the residents of Sao Paulo as far as the presidential term in office is concerned.

The FOLHA survey also asked each of the persons interviewed about their choice of candidates to succeed Sarney. Even though almost half of them (44 percent) stated no preferences for any given candidate, the names that came up the most were: that of Sarney himself, 11 percent, Ulysses Guimaraes, president of the Chamber of Deputies and of the PMDB, and Deputy Paulo Maluf PDS (Social Democratic Party) candidate for Sao Paolo governor, who lost the 15 November elections. Each of the two men received the support of 7 percent of those surveyed.

Governors Leonel Brizola (Rio de Janeiro) and Franco Montoro (Sao Paulo), who no longer bother to hide their desire to succeed President Sarney, were rated the sixth and ninth most liked candidates respectively, 3 percent of those surveyed mentioned Brizola, and 1 percent indicated Montoro. The fourth most favored candidate, among the residents of Sao Paulo, was businessman Antonio Ermirio de Moraes, the PTB [Brazilian Labor Party] candidate for Sao Paulo governor who lost the latest elections. Federal deputy-elect Luis Inacio Lula da Silva (PT) and Senator-elect Mario Covas (PMDB) were also mentioned, along with Mines and Energy Minister Aureliano Chaves.

Almost half (46 percent) of the surveyed residents of Sao Paulo rate Sarney's administration as average. On 22 November, 1 day after the second phase of the Cruzado Plan was announced, 34 percent of the residents of Sao Paulo rated the performance of the Federal Government good, on 5 December this percentage rose to 39. Now only 27 percent believe that the performance of the government is good or very good. On 5 December, 18 percent of the people felt that the administration was doing a bad or worse job, now 27 percent feel that way.

Taking party leanings into account, the highest percentage of support for the government (that is those who rate it good or very good is among PMDB (42 percent) and PDS (38 percent) sympathizers. The highest percentage of those who believe that the administration is bad or worse is among the supporters of the PT and the lowest is among the PMDB (14 percent).

Daily Notes Slip

PY252315 Sao Paulo FOLHA DE SAO PAULO in Portuguese 24 Dec 86 p 2

[Editorial: "President's Rating Goes Downhill"]

[Text] President Jose Sarney's loss of prestige, which was recently noted by a survey conducted by FOLHA, continues to go downhill. It is now lower than it was following the announcement of the Cruzado II Plan. Shadows are thus cast over the next steps to be taken by the Sarney administration.

The number of people who rate Sarney's government as excellent or good has dropped to 27 percent. On 5 December it was 39 percent. The decrease is probably due to the price increases that have been approved since that date. The idea that the price freeze has ended, that what is being presented as a realignment of prices marks the end of a real control of the inflationary process, is spreading. This is automatically reflected in the evaluation of the president's performance.

An unexpected consequence of the price freeze, which was viewed as practically the only mechanism for fighting inflation up until the Cruzado Plan II was implemented, is that any price increase, no matter how limited or how necessary it might be, is being transformed into a political issue. Today, as never before, the government is more vulnerable because of the changing economic circumstances. The problem goes beyond the individual prestige of the president, it now takes on an institutional connotation. The discussion of extending or reducing the president's term now shadows the rise or fall of expectations, or economic promises or disappointments.

Simultaneously, the efforts to normalize the market are becoming more complicated and difficult. No matter how moderate and cautious it might be, any measure adopted to decrease demand becomes a pretext for political defiance. An instance of such defiance was the general strike that was called on 12 December.

The government itself is responsible for the extreme politicization of economic affairs, as well as for all the difficulties that such a politicization represents for a more realistic strategy for fighting inflation. The government's electoral tactics were based on a hollow position of defending the price freeze, without taking any measure that could have prepared the way for the gradual and controlled lifting of the price freeze. In line with those electoral tactics, the government waited too long, 21 November, to announce its new economic package.

The prospects of accelerating price increases next year, which will be a hard blow for renters, imposes on the government the necessity to regain the confidence it lost. The president has so far shown that he does not lack the political acumen to make up lost time. Nevertheless, little of what he intends to do -- and the rumors go from a new price freeze to a Cabinet reshuffle -- will be of much help if what he does does not have a sustained effect, as has been the case so far.

With or without popularity, with 4 or 3 more years in government, the president must govern the country and he still has basic commitments which he must fulfill. Neither the fight against inflation, nor the control of economic growth, or the process of income redistribution can simply be sustained with rhetoric for temporary psychological effects, new or old political legerdemain, or quick fixes.

CTA DEVELOPS BLG-252 CLUSTER BOMB TECHNOLOGY

PY282140 Rio de Janeiro O GLOBO in Portuguese 26 Dec 86 p 16

[Text] Sao Jose dos Campos -- After 4 years of research and development, the first Brazilian air-to-ground bomb, designed by the Aerospace Technology Center (CTA), is ready for production. Pacifists called the bomb "Disseminator of Death," and the Geneva Convention has restricted its use because it weighs 600 kg and contains 252 grenades which, after the bomb is dropped, spread over a 200-meter radius, destroying everything within it.

The BLG-252, as it is known at the CTA, has been successfully tested at the Air Force testing grounds, and the technology for the production of the six approved prototypes is already available to the industries that are interested in producing the bombs.

In addition to the BLG, the main CTA accomplishments this year were: 300-kg incendiary bombs for military use; the prototype of an alcohol-fueled engine for trucks and buses; a telemeter; a high-precision laser metal-cutting machine; and a carbon fiber especially suitable for the manufacture of heart valves.

The Institute of Research and Development (IPD) report states that the initial steps to transfer the meteorological radar technology to Tecnasa Electronica Professional industry constitute the major accomplishment of 1986. This project, which was almost shelved on several occasions, was initiated more than 10 years ago. A prototype of the radar was built some time ago, but it had to be redone because several of its components had been technologically superseded. Also this year the IPD finished the prototype of a 220-horsepower ethanol engine, which has been tested for more than 200 hours. This project will require 3 more years and World Bank financing before it is completed and tested on buses and trucks.

The IPD installed a press to produce high-resistance zirconium sponges for use in the aeronautics industry, and signed a contract with the Garavello Company for a research project on vegetable oils for aeronautical applications. A laboratory, equipped with CTA-designed machinery, was installed for the dynamic and structural testing of airplane landing gears, wheels, and brakes.

The CTA scientists' greatest concern is to keep up with Brazil's space mission schedule. Sonda and the Satellite Launching Vehicle (VLS) rockets are being developed at this institute, although the programs are considerably delayed. The Sonda-4 rocket, for example, should have been ready for the second stage of flight tests, but the problems the CTA has had in the last few years have delayed the first flight test until sometime in the first half of 1987. Meanwhile, research and development for the VLS continues. The first and second stages of the VLS have successfully passed dynamic and structural tests at the laboratories of the MBB [expansion unknown] in the FRG, early in December.

At the Advanced Studies Institute [IEAV], the most significant projects involved laser rays under an agreement with the University of Campinas. The prototype of a high-precision laser metal-cutting machine has been manufactured at the IEAV. This machine is in the final stage of development for the production of the first industrial prototype. One of the laser machines resulting from this work will be used in medicine, in the neurology field.

A prototype of a laser telemeter is also ready, and its technology will be transferred to Engesa [Specialized Engineers, Inc], where the telemeters will be produced for use in military airplanes and tanks. The CTA also participated in the procedures necessary for the approval of the Brasilia planes by the United States, the FRG, France, and Norway; as well as in the procedures for the approval of the Nhapecan glider of the Parana Structure Industry, the weapons system of the Esquilo helicopter of Helibras [Brazilian Helicopters, Inc.], and an air target manufactured by Aeromot of Porto Alegre. The CTA itself is developing a set of remote-control air targets, which will be used for target-shooting exercises by the Armed Forces.

AIR FORCE BUYS 12 PLANES FOR AMAZON PATROL

PY242355 Rio de Janeiro O GLOBO in Portuguese 23 Dec 86 p 7

[Text] Sao Jose dos Campos -- Beginning in March, the Aeronautics Ministry will equip its new bases in the Amazon region with 12 more airplanes to facilitate the transportation of freight and passengers, and to patrol the region. Aeronautics Minister Moreira Lima yesterday announced the purchase of these airplanes -- three Lear jets equipped for photometry operations; three C-130 Hercules from the U.S. MacDonnell Douglas Company, for transporting of freight and troops, and six Bandeirante cargo planes.

The minister refused to comment on the cost of the purchase made in the United States. He only revealed that this package had initially been negotiated with another country which withdrew from the operation. Because of this, Brazil can make the deal with conditions considered "exceptional" by the ministry. He also reported that the Brazilian Air Force is studying the purchase of supersonic fighters.

NEW WAR MATERIELS ENTERPRISE TO BE FORMED

PY261401 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Dec 86 p 2

[Excerpt] During a visit yesterday by Aeronautics Minister Brigadier Octavio Moreira Lima to Sao Jose dos Campos, Embraer [Brazilian Aeronautics Enterprise] President Osiro Carlos da Silva announced that in January a new enterprise under the name of Orbita will be formed. Orbita will be a new war materiels manufacturing enterprise which will be located in Sao Jose dos Campos, Sao Paulo state, in an area near the Tamoios Highway connecting the Vale do Paraiba with the city of Caraguatatuba.

Forty percent of the new enterprise capital will be subscribed to by Embraer, another 40 percent by Engesa [Specialized Engineers Inc], and the remaining 20 percent will be subscribed to by Eska, Indel, and Parcon. Orbita will start operations by filling orders from the Army and the Air Force to manufacture the antitank missile LEO (under an agreement with a foreign enterprise whose name was not revealed) and the air-to-air missile Piranha, designed by the Airspace Technological Center (CTA), which will be fitted to the AMX Brazilian-Italian subsonic fighter that will go into production in 1988.

Orbita will not restrict its production to war materiels, said Osiro Carlos da Silva. It will also actively participate in the Brazilian space program that calls for the launching of four Brazilian-made satellites before the end of this decade: Two meteorological and two remote-sensing satellites. Silva added that "Orbita will also manufacture the satellite launchers that are being designed by CTA under the Sonda satellite launching program." [passage omitted]

PINOCHET REJECTS OPEN ELECTIONS IN 1989

PY282213 Paris AFP in Spanish 1553 GMT 28 Dec 86

[Text] Santiago, 28 Dec (AFP) -- President Augusto Pinochet has said in Santiago that the proposal for electing a Chilean president from among several candidates in 1989 is an idea that cannot be taken seriously.

The proposal for open elections was made by the opposition Christian Democratic Party, with the support of groups from the right, center, and left.

The proposed formula violates the constitutional provision calling for a plebiscite on a single candidate designated by the commanders in chief of the Armed Forces. Only if the candidate designated by the Armed Forces -- who could be Pinochet himself -- is rejected, will a free election be called after 16 years of military rule.

Pinochet, whose opinion was published today in EL MERCURIO of Santiago, holds that the electoral formula proposed by the opposition is an idea without depth and prospects. According to Pinochet, the proposal is just a strategy of the opposition following the setbacks it sustained this year.

The opposition had boasted that 1986 would be the decisive and all-important year to put an end to the military government that came to power in 1973. However, the popular demonstrations lost strength, and divisions within the opposition became more acute, after a large arms cache for the guerrillas was discovered and leftist groups claimed responsibility for an attempt on Pinochet's life.

Noting that the opposition has retreated while the government has gained strength, Pinochet told EL MERCURIO that many politicians are clever and able to deceive...but the positions were reversed after the discovery of the arsenals and the attempt on my life. The situation has been reversed, and the fact that the country's economic situation has improved has helped the government.

STATE OF SIEGE LIFTED IN 5TH, 8TH REGIONS

PY241747 Santiago Domestic Service in Spanish 1600 GMT 24 Dec 86

[Relay by mobile unit No 10 at La Moneda palace]

[Text] The government has decided to lift the state of siege in the 5th and 8th regions in Chile.

This announcement was made at La Moneda palace by Interior Minister Ricardo Garcia, who said that the measure is the result of an assessment of the situation in those regions.

[Begin Garcia recording] The president of the republic today decided to lift the state of siege in the 5th and 8th regions. Thus, the state of siege is now in effect only in the 3rd and 4th regions, in the metropolitan region, and in Antofagasta Province in the 2nd region.

I want to point out that this measure is based on a government policy of reviewing the state of siege according to the circumstances, the facts, and the time. Thus, the assessment has now allowed us to adopt this resolution, which is in keeping with the continuous effort the government is making to review the state of siege issue. [end recording]

The measure will become effective after the appropriate decree is published in the Official Gazette. Minister Garcia stated that this decree has already been signed and that it will definitely be published by next Friday.

Elsewhere, we can report that President Pinochet spent the morning receiving Christmas greetings and is now meeting with his cabinet.

'CONFIDENTIAL' REPORTS FOUND IN GARBAGE

PY241219 Santiago HOY in Spanish 15-21 Dec 86 pp 24, 25

[Text] This happened last week.

In the garbage from one of the buildings located near Bus Stop No. 14 of Vicuna Mackenna Avenue in Santiago, an intact document was protruding. The upper right-hand corner was marked "Confidential" in red letters.

A humble passer-by was stunned: never before had he seen garbage with a diplomatic badge. He looked it over carefully. He read that it carried the number 282/86, that it was dated 12 September 1986 and that it bore the seal of Chilean Ambassador to Brazil Raul Schmidt Dussaillat, who had sent it to the director of Cultural Affairs and Foreign Information of the Chilean Foreign Ministry. The passer-by also noticed the black letters of yet another seal which identified the document as an "informative copy."

There were other similar documents among the garbage, but the passer-by got scared and took only the first one. The document, which is a "press report for the second week of September 1986," was comprised of 21 letter-size pages.

The document is broken up by sections. The first section describes "news agency reports" and "news from local sources." The latter section is in turn divided into "negative information" and "positive information." Among the negative news, the ambassador emphasizes that on 11 September the newspapers O ESTADO DE SAO PAULO and JORNAL DO BRASIL "reported the sale of antiriot vehicles to Chile by means of a triangular operation involving Colombia" and printed a statement of the Movement for Justice and Human Rights: "Brazil is negotiating the sale of $1 billion worth of arms to General Pinochet."

The positive news consists merely of what the embassy itself generated, refuting "the contents of an Amnesty International report denouncing alleged illegal and secret ctivities by the security forces." There is also a communique: "Regarding the murder of journalist Jose Carrasco in Santiago which some news media irresponsibly blamed on the Chilean Government, this embassy wishes to report that it has been officially confirmed that Mr Carrasco was not arrested on orders from the government."

The next item of the document contains "commentaries." It includes a commentary by HOY Deputy Director Abraham Santibanez, which O ESTADO DE SAO PAULO published on 7 September. Ambassador Schmidt's attention was drawn to the part where Santibanez stated that "the war in Chile will continue for many more years," adding that "the opposition apparently wasted energy trying to make 1986 into a 'decisive year'. When this attempt failed it is obvious that many hopes turned to anxiety, helplessness, and a temptation to resort to violence."

Together with the press report Ambassador Schmidt includes a graph providing a statistical summary of the news in printed media only. Out of the listed 51 items, the Chilean ambassador labeled 37 as negative (72.5 percent). According to his assessment there are four objective reports (7.8 percent), and ten positive reports (19.6 percent).

HOY got in touch with Fernando Urrutia, acting director of the Cultural Affairs and Foreign Information Department of the Foreign Ministry and asked him for an opinion about the ambassador's report.

Without denying or confirming the report, Urrutia exclaimed: "I do not understand how you could have gotten hold of a document like this!"

[HOY] What is the official position regarding the press report of the Chilean ambassador in Brazil?

[Urrutia] I cannot tell you that because even if there was one, I am not aware of it. The only thing I can tell you is that these reports are part of the duties of our diplomatic missions abroad and they are normally sent to government officials for analysis and evaluation.

PSSCH REJECTS PROPOSAL BY LEFT-WING CONCLAVE

PY261650 Santiago EL MERCURIO in Spanish 19 Dec 86 p C2

[Text] Social Democratic Vice President Arturo Venegas has stated that "the revolutionary left has failed in the past, and its current tactics and strategies of confrontation are also failing."

"Thus, the revolutionary left cannot aspire to lead the opposition and even less can it give us, the opposition parties, advice on how to restore democracy."

Venegas made these statements when he was asked about the document entitled "Proposal for an Opposition Agreement for a Democratic Struggle," which was signed by the nine parties which participated in the recent left-wing conclave.

Venegas stated that "all the Chileans who want democracy as a permanent system must participate in the struggle for the restoration of democracy. However, the political leadership belongs to the sectors that now make up the Democratic Alliance [AD] and the other opposition parties must support the strategies and tactics approved by the AD."

Venegas said that the AD strategy "is the way outlined by the democratic opposition, a way being supported by the majority of Chileans who do not want to continue living under a dictatorship but also do not want violence or a revolution, but the concerted restoration of democracy."

Venegas also stated that "the failure of the revolutionary left has deprived it of a political voice," which is also the case with the right-wing sectors.

Venegas added: "Thus Chileans want a permanent political program for those sectors which have distanced themselves from the above-mentioned extremes so that the country can be governed with common sense and responsibility."

MAPU [United Popular Action Movement] Deputy Secretary General Patricio Cotal has said that "this conclave was useful for Chile and for the democratic forces, because the vast majority at the conclave chose to support a political way out, to reject terrorism and armed struggle, to seek at significant and broad democratic agreement, and to support the movement for free elections."

"In the second place, the majority of the forces that attended the conclave stated that they do not seek the formation of a slate like the UP [Popular Unity]; they want to turn the left into an active element in the development of a bloc favoring change, a bloc, including the center and the left, that will make possible the necessary transformations that will be required by the democratic reconstruction of Chile."

At the same time, the Socialist Party released a communique regarding the document signed by the left-wing conclave, a document which they did not sign themselves.

The Socialist Party's communique states that "the document that was released yesterday (the day before yesterday) as the conclusions of the conclave, several days after the holding of the conclave, was not drawn up, discussed, or approved during the so-called 'left-wing conclave."

The Socialist Party's communique states: "The only agreement reached during the conclave was to release a press communique which was published the next day by the mass media.

The Socialist Party's communique adds: "It is regrettable that this procedure was used. Our party did not even have a chance to discuss the lampoon which was released as a "working document" but was not accepted as such."

BOMB EXPLODES NEAR SANTIAGO SUBWAY STATION

PY241412 Santiago Domestic Service in Spanish 0930 GMT 24 Dec 86

[Text] The recent bomb explosion near the Pedro de Valdivia station of the metropolitan subway has caused some concern. The bomb was planted by extremists under some bricks in a house under construction at the intersection of Marchant Pereira Street and 11 de Setiembre Avenue. Carabineros who went to inspect the site verified that the explosion did not cause any damage. No victims were reported either. Personnel from the Carabineros bomb squad collected remains of the bomb for analysis.

ALLEGED ELN GUERRILLA DECLARES WAR ON FARC

PA262043 Madrid EFE in Spanish 1852 GMT 26 Dec 86

[Text] Bogota, 26 Dec (EFE) -- The pro-Castro Army of National Liberation, ELN, today declared war on the FARC guerrilla group. The announcement was made today by an alleged rebel of the "Manuel Vasquez Castano" Front to Radio Caracol Network in Pitalito, southern Colombia.

"With great pain, because of the FARC's banditry and its bloody attack against two ELN members, we denounce the counterrevolutionary methods of the FARC's 8th Front to the people of Huila and the rest of southern Colombia," the alleged guerrilla said on the radio.

The FARC methods, especially those of the FARC 8th Front, "are a long way from being revolutionary principles and go against the process of unity expressed within the National Guerrilla Coordinating Board," the alleged rebel added.

'SECRET' ANTINARCOTICS ORGANIZATION CREATED

PA261920 Hamburg DPA in Spanish 1836 GMT 26 Dec 86

[Text] Bogota, 26 Dec (DPA) -- It was officially announced in Bogota today that the Colombian Attorney General's office has once again created its secret antinarcotics group. This decision was adopted in view of the recent increase in drug activities.

The group will be coordinated by Elvira Guerra de Moreno, who has become the first Latin American woman appointed to direct a secret organization. In its first phase, the attorney general's secret antinarcotics group, comprised of more than 500 agents, will try to destroy the bands of drug traffickers that operate within the country.

A few years ago, the antinarcotics group was abolished and its activities were taken over by the police department's antinarcotics command.

ALLEGED ALFARO LIVES MEMBERS EXPELLED TO ECUADOR

PA270401 Madrid EFE in Spanish 0145 GMT 27 Dec 86

[Text] Bogota, 26 Dec (EFE) -- It has been officially reported in Bogota that in the past few hours the Colombian Government drove out four presumed Ecuadoran rebels of the guerrilla group Alfaro Lives. Sources in the Administrative Department of Security, DAS, aliens section have said that the presumed rebels; Jose Luis and Cesar Morales Canavar, Alfonso Lechon Canuendo, and Miguel Angel Potosi; were expelled from the country. The source also said that the four presumed Alfaro Lives members were also part of the so-called America Batallion, an international rebel fusion created by the Colombian M-19. Allegedly, the foursome had entered the country to participate in insurgent actions. DAS reported that the four were forced to leave the country through Ipiales, at the Colombian-Ecuadoran border.

GOVERNMENT RULES OUT RELATIONS WITH NICARAGUA

PA281944 Hamburg DPA in Spanish 1610 GMT 29 Dec 86

[Text] Quito, 28 Dec (DPA) -- The Ecuadoran Foreign Ministry issued a statement today dismissing the possibility of renewing relations with Nicaragua, because "no incident has occurred to justify or induce an alteration of Ecuadorean Government policy."

The statement was issued in response to a proposal made on Friday by socialist congressional Vice President Enrique Ayala, who requested the renewal of relations with the Sandinist regime. The statement adds that "this has nothing to do with isolating Nicaragua; it stems from the insults to Ecuador and the Ecuadorean head of state proffered by the Nicaraguan head of state. The conservative Ecuadorean Government made the decision to break relations with Nicaragua in October 1985 after a harsh exchange of accusations between Presidents Daniel Ortega and Leon Febres Cordero. Febres Cordero, considered a firm ally of the Reagan administration, had stated that in order to achieve peace in Central America it is an indispensable requirement for democracy to be restored in Nicaragua through "free elections." In response, Ortega accused the Ecuadorean Government of attempting to cancel the 1986 elections, an attempt that ultimately failed. Ecuador responded by breaking relations. In its statement, the Foreign Ministry added that Ecuadorean foreign relations are directed "exclusively by the president of the Republic, not by Congress or any other branch of government."

ALFARO LIVES GROUP TAKES OVER QUITO RADIOS

PA272217 Madrid EFE in Spanish 2036 GMT 27 Dec 86

[Text] Quito, 27 Dec (EFE) -- Five members of the Ecuadoran clandestine group "Alfaro Lives, Dammit" AVC today took over the studios of two radio stations in this capital and broadcast a statement in which they demand President Leon Febres Cordero's resignation.

The radio station "El Sol" and "Musical", which are located a few meters from the presidential palace, were taken over early this morning by AVC members -- including a woman -- who ordered the announcers and technicians to stretch out on the floor while the rebels broadcast a "special information segment." Eduardo Jarrin, the announcer in radio El Sol's morning newscast, said to EFE that the five persons identified themselves as members of AVC and interrupted the program being broadcast to send a statement which had been taped previously. The statement demands the president's resignation, the release of Alfarista member Leonardo Vera Viteri, who is in a local prison, and stated the need to respect human rights in Ecuador. Jarrin said that the statement also reasserted the clandestine movement's effective operations and activities, even though it had been considered practically annihilated after its main leaders died in different clashes with the police. The radio stations' employees remained tied up and immobilized for approximately 40 minutes until they managed to escape and notify the police, which sent specialized personnel to deactivate the equipment which was broadcasting the tape's contents. The radio stations are owned by businessman Jaime Bowen, a well-known sports leader, who was not in the studios.

PRESIDENT STROESSNER DELIVERS CHRISTMAS MESSAGE

PY241922 Asuncion Red Nacional de Television in Spanish 1304 GMT 24 Dec 86

[Christmas Message delivered by President General Alfredo Stroessner to the nation from his office at Government House, 24 December -- Live]

[Excerpts] Paraguayan People: We celebrate the glorious date of the birth of Jesus with joy, because it marks the beginning of a new universal consciousness. Our people can show the world an honorable history, forged with faith in God and the fatherland. [passage omitted]

In Paraguay, we now have a position that has not been easy for us to consolidate. It must not be forgotten that a different situation prevailed in the nation a few decades ago, with an unending succession of coups d'etats, rebellions, uprisings, mutinies, with their aftermath of insecurity for the population and the toll of wounded and dead from the cruel and bloody fights among brothers. [passage omitted]

All the pain caused to the people by the tragedy of civil wars, the ineffectiveness of the previous governments, the sentiments of bitterness and passive acceptance were left behind with the hope-filled advent of the peaceful revolution. [passage omitted]

We live under a democracy, in dialogue with the opposition within the framework of the laws. Our pluralist party system demonstrates that we respect political freedom. We are aware of national aspirations through the constant dialogue between the people and the government. We follow a noble, just, and constructive policy. [applause] Because its mandate comes from the ballot box, only this government has the right to speak on behalf of the people, not those who want to push the country into anarchy, not those who are enemies of the ballot boxes, not those who dream of subversion. These people will not teach us political leadership. [applause] No intervention will be allowed because national dignity does not accept foreign prescriptions or tutoring. Our formula is simple and patriotic: Paraguayan solutions to Paraguayan problems. [applause] [passage omitted]

No one should try to manage the government to suit his own wishes. There are some who express opinions on matters that are not their concern, posing as members of the opposition. Each one must stay within his own sphere of action -- as the popular saying states: Shoemakers should stick to shoemaking. [applause]

The people who attended the recent festivities at Caacupe were moved by their own religious faith to pay homage to the Virgin, not to listen to words that have nothing to do with religion. [applause] Those who uttered those words neglected to mention the security and order which prevent accidents or the improved roads that facilitated the trip to Caacupe. [applause]

While some people talk, we build, thus conscientiously and fully discharging our duty. We exercise our functions within the framework of the Constitution and the laws. Some individuals assume the role of spokesmen for the people without validly representing them. [paragraph continues]

But we are the only ones who can speak for the people because they elected us to be their representatives. [Applause] Unanimity cannot exist, but those who hold different opinions should not attack our democracy. They should prepare themselves for the elections that are freely and periodically held. We must abide by the results of the polls: The majority must govern and the minority must help to conduct the government. [Applause] The banner of peace will not be wrested out of our hands. We will stamp out any act that might lead to disorder. [passage omitted]

This year we were honored by the visit of their Imperial Highnesses, Japanese Prince Hitachi and Princess Hanako, for the celebration of the 50th anniversary of the arrival of the first immigrants from that noble and hard-working nation. During the presence of those illustrious messengers of the friendship of the Empire of the Rising Sun, the modern Regional Health Center of Pedro Juan Caballero, which was built thanks to a nonrefundable credit from Japan, was inaugurated. Also, two important documents on financial assistance from that friendly country were signed: one to support a development plan for the agricultural and livestock-raising sector, through a credit to be repaid in 18 years, with a 7-year grace period, at an annual interest rate of 4.75 percent; and the other granting a credit for the construction and furnishing of the Paraguayan-Japanese Center for the development of human resources. [Applause]. This shows true cooperation for development as positive reflection of bilateral relations and friendship, expressed in deeds, not words. [passage omitted]

With my thoughts turned toward the destiny of the fatherland, I greet the generals, admirals, noncommissioned officers, sergeants, and soldiers of the glorious Armed Forces of the nation. I feel honored to stress the unswerving loyalty with which the Armed Forces carry out their mission, setting an example in defense of our sovereignty and of civic sensitivity. Also remarkable is the example the Armed Forces set in the service of the peace and democracy that reign in the nation. [Applause] [passage omitted]

I extend cordial greetings to the members of the honorable diplomatic corps, with my best wishes of prosperity for their governments and their people. Our nation offers them the warmth of its friendship and its faith in the nobel principle of cooperation among sovereign states. [Applause]

I thank the Divine Maker for the good health I enjoy. Under his protection I will continue to work in the service of my countrymen and the country's increasing progress down the road of history and the optimistic vision of the future. Merry Christmas and Happy 1987 to everyone, and may the New Year be another year of optimism and tireless dedication to the progress of the Republic of Paraguay. [Applause]

MINIMUM WAGES GO UP 23 PERCENT 1 JAN

FL230448 Mexico City NOTIMEX in Spanish 0310 GMT 23 Dec 86

[Text] Mexico City, 22 Dec (NOTIMEX) -- Beginning 1 January 1987, the country's general minimum wages will go up 23 percent, and workers in the federal district, the metropolitan area, and high cost of living zones [zonas de vida cara] will see their wages rise from 2,480 to 3,050 pesos a day. Javier Bonilla Garcia, chairman of the National Commission on Minimum Wages (CNSM), reported that the council of government officials, employers, and workers' representatives had unanimously agreed on the 23 percent hike. He indicated that the minimum wage of workers in group two will rise from 2,290 to 2,820 pesos as of 1 January 1987, while the general minimum wage for group two workers, those in a lower wage scale, will go from 2,060 to 2,535 pesos a day.

LEGISLATORS UNHAPPY WITH WAGE INCREASE

FL240352 Mexico City NOTIMEX in Spanish 0330 GMT 24 Dec 86

[Text] Mexico City, 23 Dec (NOTIMEX) -- Mexico's nine political parties have expressed unhappiness with the new 23 percent increase in minimum wages, which was announced yesterday by the national commission on minimum wages [CNSM] and goes into effect on 1 January 1987.

The parliamentary factions representing the parties in the lower chamber noted that the increase would be counteracted by January costs. Deputy Alfonso Reyes Medrano, of the labor faction in the ruling PRI, urged strongly that the CNSM meet in February to resolve the difficult situation workers will face in 1987. For his part, Alejandro Encinas, of the Unified Socialist Party of Mexico, demanded reforms to article 12 of the constitution regarding increasing benefits for the working class and adopting binding measures to restore their purchasing power. Other legislators pointed out that along with the new minimum wages, the Commerce Secretariat must act forcefully to prevent price increases.

LABOR UNION LEADERS PLEASED WITH WAGE INCREASE

FL241740 Mexico City NOTIMEX in Spanish 0405 GMT 24 Dec 86

[Excerpt] Mexico City, 23 Dec (NOTIMEX) -- The country's labor leaders have said the 23 percent minimum wage increase effective 1 January is a good solution under current circumstances. Fidel Velazquez, Secretary General of the Confederation of Mexican Workers, said current circumstances do not make possible what the constitution requires: adequate wages for heads of households. He explained that in line with this, the CTM member labor unions are being notified to demand such increases. If employers refuse to pay, a strike will be called at those enterprises to recover the workers' purchasing power. He said such a wage increase leaves open the possibility for the national minimum wage commission to meet again in February to make new adjustments so that wages are reviewed every month the same way prices are revised. [passage omitted]

OPPOSITION PARTIES MAY NOT RUN IN 1989

PA202115 Panama City LA PRENSA in Spanish 20 Dec 86 p 1a

[Article by Flor Quintero]

[Text] Mario Galindo, a distinguished member of the Nationalist Liberal Republican Movement, MOLIRENA, has said that the opposition parties will not participate in the 1989 elections.

In an interview yesterday for the news media, the politician said that "the elections situation does not seem very clear. In past elections, the opposition went through a very regrettable moment: We are convinced that we won the elections, but the victory was not recognized."

The MOLIRENA leader said that "as long as the most important electoral institutions, such as the Electoral Tribunal, are not entirely renewed, it would be difficult to believe that the coming elections might result in a course that can lead the country to a true democracy."

Mario Galindo said that "because of the things that have been seen up to now, it is very probable that the opposition parties may not participate in elections of this type."

As was previously published by this newspaper some weeks ago, opposition political parties have charged that the ratification of Magistrate Yolanda Pulice de Rodriguez as president of the Electoral Tribunal is a government strategy to prepare an electoral fraud in the 1989 elections similar to one in May 1984.

Several leaders of the Democratic Opposition Alliance, ADO, based their opinions on the fact that Pulice de Rodrigufez is "an official who was molded by the Panama Defense Forces," because before she was appointed to the Electoral Tribunal, she worked as a traffic judge under the administration of the Panamanian armed institution.

In this framework, several top leaders of the Authentic Panamenista Party, PPA, in a 23 November meeting, requested a vote recount of the 1984 elections, in which the "biggest fraud in Panamanian history was recorded."

The PPA said that on 6 May 1984, the Panamanian people participated in the first direct elections for president and vice president, just like on May 1968, and that ADO candidates Arnulfo Arias Madrid, Carlos F. Rodrigfuez, and Ricardo Arias Calderon had won the presidency, first vice presidency, and second vice presidency, respectively, by more than 50,000 votes."

BRIEFS

UN FRG AMBASSADORIAL APPOINTMENTS -- Jorge E. Ritter has been appointed special and plenipotentiary Panamanian ambassador to the United Nations. He replaces David Samudio Jr., who has been appointed Panamanian ambassador to the FRG. [Summary] [Panama City STAR & HERALD in English 23 Dec 86 p a-2 PA]

EL SALVADOR

NEWLY FORMED MOVEMENT ASKS DUARTE TO RESIGN

PA242225 San Salvador EL DIARIO DE HOY in Spanish 24 Dec 86 p 9

[National Action Movement 24 December message to the Salvadoran people]

[Text] National Action Movement [Movimiento de Accion Nacional], MAN, to the Salvadoran people:

Concerned over the serious deterioration in all areas since Jose Napoleon Duarte took power, and faced with impending chaos, anarchy and total extinction toward which we are irreversibly headed, citizens from all over the country, aware of their civic and historic responsibilities, agreed to form the MAN.

As one of our initial actions, MAN publishes the following manifesto for the people's consciousness:

Considering that the country is saddled with the gravest political, social, and economic situation in its history, because of:

1. The obvious inability of Jose Napoleon Duarte to govern the country;
2. The increasing corruption of officials and those close to those who govern;
3. The arrogance and domination by those belonging to the legislative and executive branches, who blindly obey Durate, and refuse to listen, snubbing the whole country's anguished cry;
4. The constant and deliberate violation of the country's Constituation and other laws of the republic under an impunity which is a disgrace to the country.
5. The constant deceit and broken promises which have led us to poverty, moral deterioration, chaos, and total insecurity;
6. Duarte's total lack of will to win the war and thus attain peace with dignity and decorum; instead he prefers dialogues, negotiations, and compromises with the guerrillas;
7. The commiting of our sovereignty and national security to foreign forces and powers;
8. Duarte's evident intention to destroy the country's economy and, consequently, Salvadoran society with such measures as the frequent tax packages.

Therefore, reflecting the feelings of the 5 million Salvadorans and as an initial measure for national salvation, MAN demands President Jose Napoleon Duarte's immediate resignation.

San Salvador, 24 December 1986
National Action Movement
Signed: Josefina Martinez, ID Card No. 11-39-62-45; Maria del Carmen Gonzalez, ID card No. 5-11-00-31-17; Antonieta Tablas, ID card No. 11-06-27-984; Gloria Mendez, ID card No. 11-057-921; Isabel Duenas, ID Card No. 11-08-5893; and Jose Rodriguez, ID Card No. 47-01-01-82.

REBELS DAMAGE HELICOPTER IN USULUTAN 23 DECEMBER

PA270259 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 27 Dec 86

[Text] On 23 December, at 1000, four rocket-launching helicopters strafed and launched rockets against Canton La Montana, San Agustin jurisdiction, Usulutan Department. Paracaidistas Battalion troops landed at 1030 and were attacked by antiaircraft units of the Rafael Arce Zablah Brigade's Commander Gonzalo Southern Group, which used M-60 machineguns and rifles. The UH-1M rocket launching helicopter was hit and withdrew from the zone, visibly damaged by the guerrilla fire of our heroic antiaircraft units.

Meanwhile, the same report states that at 1230 that day, the Paracaidistas Battalion sustained one dead from a mine. At 1430, guerrilla units attacked those same forces with rifle fire at La Montana school; one soldier was critically wounded. The frustrated and demoralized enemy picked up its troops at 1700, using helicopters that are nothing but General [Juan Rafael] Bustillo's flying coffins.

FMLN ISSUES COMMUNIQUE ON COL OMAR AVALOS

PA240333 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 24 Dec 86

[FMLN Press Communique, issued in El Salvador on 23 December]

[Text] 1. On 24 November, the FMLN presented to Monsignor Rivera y Damas at Panama City a specific demand for the release of Colonel Omar Napoleon Avalos. Based on the reports issued by many popular organizations, we demanded the release of 52 activists of the popular movement and 29 people from northern Morazan Department who were evicted and arrested during Armed Forces operations against the civilian population. We also demanded an end to all the tortures and the arraignment of 34 persons reported missing after being arrested by the government's repressive corps.

2. One month later, and given that the Armed Forces had not issued a reply to the FMLN demand, Colonel Avalos issued a public appeal to engineer Duarte and General Blandon to expedite the necessary negotiations to attain his release.

3. The FMLN has received no reply from the government or Armed Forces so far.

4. The FMLN has authorized Col Avalos' family to visit him so that they can be together during the Christmas and New Year festivities. The visit will be coordinated by the International Red Cross Committee with the FMLN.

5. Despite the behavior of the government and Armed Forces High Command, the FMLN maintains its willingness to attain Col Avalos' release as soon as possible and respect, as it has always done, his physical and moral integrity.

6. The FMLN has contacted Monsignor Rivera y Damas, the International Red Cross Committee, and Latin American governments to evacuate all those who have been maimed in the war and are still in jail or are kept in hospitals under the International Red Cross Committee's protection. We have suggested that the evacuation take place next 7 January. The evacuation of these maimed fighters stems from the international laws and agreements adopted in Ayagualo between the government and the FMLN-FDR and cannot be part of operations to exchange prisoners.

7. The FMLN reasserts its support to more than 1,000 political prisoners who are kept in jail by Jose Napoleon Duarte's government and are currently engaged in a just and combative strike to defend their rights.

El Salvador, 23 December, 1986

GUATEMALA

FULL DIPLOMATIC RELATIONS REESTABLISHED WITH UK

PA251300 Paris AFP in Spanish 2232 GMT 24 Dec 86

[Excerpts] Guatemala City, 24 Dec (AFP) -- Guatemala and Great Britain resumed diplomatic relations after a 23-year break, Guatemalan President Vinicio Cerezo himself announced today. [passage omitted]

Consular relations were reestablished in September, and today, by a simple exchange of notes, diplomatic relations were also reestablished. [passage omitted]

ARMY DENIES ROLE IN KIDNAPPING OF GAM MEMBER

PA270245 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 27 Dec 86

[Text] Guatemala's Defense Ministry has reported that there is a disinformation campaign about the Army. The Guatemalan Army issued a special communique today noting that there is a disinformation campaign about the Army. By way of example, it mentioned the case involving a member of the Mutual Support Group [GAM] who is missing. It said that the Army has no connection with this case. The official communique added that the Army categorically denies GAM charges regarding the kidnapping of (Basilio Tuiz Rodriguez), which took place in Solola while this person was being taken to a nearby hospital.

The Army said that GAM charges are reckless and clearly aim to misinform the people about the Army's true mission. The Army asked the GAM to introduce the proof it claims to have in court. There, the people responsible for the kidnapping will suffer the consequences of the law.

Military personnel are not engaged in a campaign of intimidation. Today, the Defense Ministry denied as groundless charges that Army personnel are intimidating peasants to keep them from unionizing in Huehuetenango. The military statement mentioned constitutional provisions regarding total freedom to unionize as a way to defend one's interests. Furthermore, the Army denies that it was hampering the right to unionize, as the Army is not involved in this field.

HONDURAS

ONE INJURED IN BOMB EXPLOSION LA PRENSA OFFICES

PA262221 Tegucigalpa Radio America in Spanish 2102 GMT 26 Dec 86

[Report by Jorge Castillo -- live or recorded]

[Excerpts] [Castillo] Radio America listeners, we have Francisco Medina Argenal, who is LA PRENSA newspaper's managing editor in Tegucigalpa. He will explain to Radio America's listeners the information about the attack on this news media.

[Medina] Thank you, Castillo. The attack occurred at approximately 1430; it has shaken the journalists and all the personnel working this afternoon at LA PRENSA's installations. We have no idea who planted the device in the upper floor, close to one of the bathrooms and the publicity offices. Sergio Samayoa, the publicity manager, was injured. However, I think that he sustained minor wounds and was transferred to a hospital or medical center for attention. The other fellow workers... [changed thought] some of our secretaries suffered nervous breakdowns and have already been transferred to various hospitals for the appropriate care. However, in general terms, we have sustained no human losses, which would be highly deplorable. [passage omitted]

[Castillo] The Foreign Ministry is located beside this building. Did it sustain any damage? Did the explosion at LA PRENSA's facilities have any repercussions over there?

[Medina] Castillo, I do not think so. The device was planted, I repeat, on the upper floor of LA PRENSA's building. You can see how the building's front windows shattered and fell on our vehicles. Some of the Foreign Ministry's vehicles were also covered with the debris. That is the only thing we have to report right now. We have no other reports. The Cobra Battalion members who guard the Foreign Ministry came over immediately. They are the only vigilance we have around here. The two members of the Cobra Battalion posted for the afternoon shift in that building came over here.

[Castillo] Thank you. You have heard Francisco Medina Argenal, managing editor of the newspaper LA PRENSA here in Tegucigalpa, where an explosive device -- planted by unidentified people -- exploded around 1400 this afternoon.

MONTOYA SAYS WAR WITH NICARAGUA 'INEVITABLE'

PA261909 Tegucigalpa LA TRIBUNA in Spanish 26 Dec 86 p 3

[Excerpts] Honduran Congress President Carlos Orbin Montoya has said that war with the Sandinists is inevitable. Montoya added that this is why he has been traveling through several countries seeking economic and political support for Honduras, especially from those countries' parliaments.

Speaking to a group of fellow party members who support his aspirations to attain the candidacy for the Liberal Party Central Executive Council, Montoya said that he is trying to open "the current government to the world."

"We have to open the Honduran democracy to the world, so we will not depend unilaterally [as published] on the United States, because when we are unilaterally dependent, they [not further identified] impose their policies against the Honduran people's interests, Montoya added.

Montoya said he is determined to open the Honduran Government to international public opinion, but he claimed that people think his effort is valueless, because there are people who busy themselves distorting his good actions.

Montoya explained that the foreign aid budget of all the developed countries are designed by the various parliaments; therefore, it is important for Honduras to have friends within those parliaments. [passage omitted]

Montoya continued, saying that "we can pretend and lie to the Honduran people, but a conflict with Nicaragua is increasingly serious. Honduras' profile in this conflict is rising into an increasingly compromising situation, and we must be prepared for it."

"I have repeatedly said at the Security Council that the Honduran people must be guided to defend itself from terrorism. There is going to be terrorism and aggression in Honduras, and we are not prepared to face either one. We are not trained to defend ourselves against all that," Montoya said.

NICARAGUA

ORTEGA PROPOSES CONTRA RESOLUTIONS TO AZCONA

PA261603 Managua Domestic Service in Spanish 1200 GMT 26 Dec 86

[Text] Managua -- It was learned here today that Nicaraguan President Daniel Ortega has proposed joint measures to Jose Azcona to resolve the situation between the two countries resulting from the presence of counterrevolutionary groups in Honduras.

In a letter to the Honduran head of state, Commander Ortega points to actions that his government is willing to implement together with the Honduran Government as evidence of his willingness to struggle for an effective and lasting resolution of the existing tension between the two nations.

The 3-point document states that Nicaraguans involved in counterrevolutionary activities who voluntarily decide to take advantage of the amnesty law would be accepted back and granted all legal guarantees.

Should these citizens not accept the amnesty, Nicaragua would cooperate with Honduras in joint efforts with third countries that wish to welcome them, the letter stated.

President Ortega's letter, which was sent on 22 December, added that Nicaragua would assume all the expenses involved in the transfer of Nicaraguans who want to return to the country that the UN High Commissioner for Refugees cannot cover.

MINISTRY ISSUES COMMUNIQUE ON MISSING AIRCRAFT

PA241220 Managua Domestic Service in Spanish 0300 GMT 24 Dec 86

[Nicaraguan Defense Ministry Communique No. 67, issued in Managua on 23 December]

[Text] 1. The Sandinist Air Force AN-2 TP airplane with registry No. 77, which was reported missing on 19 December, was found crashed near Cerro El Columpio, 7 km northeast of Yali, Jinotega department.

2. The Sandinist Air Force technical commission that carried out the appropriate investigations has determined that the aircraft crashed as a result of the bad weather that prevailed in the region.

3. The aircraft's three crew members and eight passengers died as a result of the crash. Pilot: 2d Lieutenant Nestor Caleman Bados; co-pilot: 2d Lieutenant Gustavo Lopez; flight technician: Johnny Lopez Chavarria; 1st Lieutenant Felipe Pineda; Lieutenant Medardo Castillo; Lieutenant Santos Rodriguez; 2d Lieutenant Augustin Zeledon; companero Juan Rivera; companero Marcos Centeno Gonzalez; companero Rene Herrera Delgado; and companero Luis Flores.

Managua, 23 December, 1986

CASTRO CLOSES CENTRAL COMMITTEE PLENARY MEETING

FL241410 Havana Tele-Rebelde Network in Spanish 1200 GMT 24 Dec 86

[Text] Commander in Chief Fidel Castro, first secretary of the party's Central Committee and president of the Councils of State and Ministers, made the closing remarks at the party's Central Committee Third Plenary Meeting held in Havana yesterday.

Fidel made a thorough analysis of the country's current economic situation and the outlook for next year. He also talked about the various conditions and causes of the problems, limitations, and difficulties we are facing.

The plenary meeting made a preliminary review of the 1987 economic plan and state budget which, in accordance with the law, the National Assembly of the Peoples' Government (ANPP) has to approve. The ANPP regular period of sessions will be held on 25 and 26 December. The Central Committee also approved the party's budget for next year, which is increasing its self-financing as a result of the policies aimed at decreasing spending and increasing income.

During the Third Congress [as heard], our Commander in Chief Fidel Castro stressed the need for consistency and seriousness in the daily effort to optimally utilize existing conditions and the country's potential in terms of human resources, the work force's skills and cadres, as well as the material resources we have. The first secretary of the Central Committee again referred to the decisive role the human, ideologic, and consciousness factors play, the need to inform, clarify, guide, and mobilize the masses based on a realistic approach according to our possibilities, the revolutionary experience, and our people's virtues and, at the same time, give priority to labor education, discipline, ethics, and work culture.

Fidel expressed his deep conviction that the party will live up to this historic battle and will be capable of guiding the state and lead all the people with the example of its members.

In line with prevailing statutes, the Third Central Committee Plenary Meeting approved the Politburo's proposal on the integration of the National Committee of Control and Revisions headed by commander of the revolution Juan Almeida Bosque, elected for this post by the Third Party Congress. Also responding to a Politburo request, the Third Central Committee Plenary Meeting elected comrades Carlos Aldana Escalante and Pedro Ross Leal as secretariat members of the Central Committee.

COMMITTEES MEET TO DISCUSS UPCOMING ANPP SESSION

Approves Civil Code Proposal

FL241930 Havana Cubana Television Network in Spanish 1800 GMT 24 Dec 86

[Text] Various National Assembly of the Peoples' Government [ANPP] committees are meeting today in Havana and are discussing the matters to be considered during the 11th period of sessions of the second legislature which will begin tomorrow.

The Constitution and Judicial Affairs Committee approved the proposal made by ANPP President Flavio Bravo Pardo for the debates on the civil code to begin during the current period of sessions and continue next year during the first period of sessions of the new legislature [words indistinct] due to its great importance and complexity. Bravo Pardo added that it is important that the new deputies give their views on the civil code and that all who may have opinion have an opportunity to express it so that once it is approved there are no chances of erroneous interpretations.

Discuss Economy, Exports

FL242230 Havana Radio Reloj Network in Spanish 2032 GMT 24 Dec 86

[Text] The standing work committees of the National Assembly of the People's Government [ANPP] have been analyzing since this morning the efforts made in these past 5 years and are summing up the experiences and results of their work.

The Global Economic Activities Committee, chaired by Faustino Perez, is engaged in an arduous analysis of the bill on the single economic and social development plan for 1987. The committee is also involved in drafting its findings, as well as the bill on the 1987 state budget. Many concerns were expressed in connection with the single plan, which sums up the 1986 economic performance and makes a comprehensive assessment of the execution of the main aspects of the plan and the budget.

It was stated that in 1987 the basic focus of economic efforts should be directed toward increasing foreign trade. The foreign affairs committee studied the present production of exports, basing itself on a survey carried out in 122 enterprises and entities involved in foreign trade. The committee made important recommendations and set out certain considerations explaining that there is a defined policy on the role and importance of exports in the country's economy. It was stressed that, nevertheless, these are not dealt with in accordance with the necessary integration. The committee pointed out that the most serious problems productive enterprises face are supply, (?outdated) mechanisms, and (?inefficiency).

It was stressed that there are serious problems with the stabilization of the labor force, especially in the big enterprises and factories designed to produce exports.

The committee stated that it was imperative to make a full analysis of the present-day situation of exports. It was pointed out that considerable resources have been earmarked for investment to increase and diversify exports, as well as to develop and strengthen the infrastructure with a view to their growth. Therefore, it is necessary to make a rigorous economic evaluation of the rationale, output, and results in terms of the commercial balance of these investments in accordance with the prices and dividends that they offer.

The deputies said the structure and performance of the various exports must be thoroughly examined.

Examines Composition of ANPP

FL242250 Havana Radio Reloj Network in Spanish 2041 GMT 24 Dec 86

[Text] The National Electoral Commission has met under the chairmanship of Jose Ramon Machado Ventura to discuss organizational aspects of the constituent session of the National Assembly of the Peoples' Government [ANPP] for the third legislative session that will take place on 27 December at the Palace of Conventions.

The commission members examined the composition of the ANPP, whose members were elected by the municipal assemblies of the people's government. They also examined the agenda of the session installing the ANPP, which will elect its president, vice president, and secretary, and the state council members by direct and secret vote.

The composition of the elders bench [mesa de edad] was also decided. This group will be presided over by the oldest deputy, assisted by the two youngest.

REPORTAGE ON ANPP'S 11TH PERIOD OF SESSIONS

Sessions Open 25 Dec in Havana

FL251513 [Editorial Report] Havana Tele-Rebelde Network in Spanish at 1351 GMT on 25 December begins carrying live relay of the opening session of the 11th and last period of sessions of the second legislature of the National Assembly of the Peoples' Government [ANPP] from Havana's Palace of Conventions.

Coverage begins with two unidentified reporters standing at the Palace of Conventions' lobby chatting about the event which is about to begin. They say current and new ANPP deputies are present.

At 1401 GMT the camera shows Cuban President Fidel Castro entering the theater where the deputies are already seated. Immediately the national anthem is played. The camera pans the audience and the presiding table where Fidel Castro is standing next to FAR Minister Raul Castro together with other top-ranking Cuban officials.

ANPP President Flavio Bravo Pardo begins the 11th session by saying 457 deputies are in attendance, which is 92.7 percent of the total deputies. He asks for 1 minute of silence to honor the memory of three fellow deputies who passed away; Felix Gonzalez Despaine, Mario Alvarado Caraballo, and Jose Miranda Valdez. He then submits to the consideration of the meeting the agenda of the most recent session. The previous agenda is approved without any comments. Bravo says the only pending matters are the laws which will regulate cooperatives and the ones to determine which organ is going to regulate environmental affairs. The ANPP President reviews the current agenda which will include the Council of State's report, the ANPP President's report on the work conducted by the permanent committees, the final civil code bill, the Council of Minister's report, the Cienfuegos Provincial Assembly of the People's Government report, the ANPP report on international activities, the steelworking industry ministry report, the single economic and social development plan for 1987 bill, the state budget for 1987 bill, and a brief ceremony marking the 10th anniversary of the people's government organs.

The agenda us unanimously approved without discussion.

At 1409 GMT, the voice of staff announcer Manolo Ortega is heard saying the coverage ends and adds that Tele-Rebelde will keep the people informed on the developments of the ANPP session.

Pass Council of State Report

FL251617 Havana Radio Reloj network in Spanish 1502 GMT 25 Dec 86

[Excerpt] [Passage omitted] The 457 deputies participating in the National Assembly of the Peoples' Government [ANPP] session being held at the Palace of Conventions, have approved the Council of State report. ANPP President Flavio Bravo read the Council of State report, which includes the work conducted between 1 December 1985 and 31 October 1986. During that period of time, eight decree laws were approved, including the proper social security protection for internationalists who are injured during the fulfillment of a civilian or military mission and rules applicable to members of the rebel army who have been recognized as combatants of the liberation war, among others. The document also mentions the honorary titles and medals conferred by the Council of State and other approved documents.

The permanent committees submitted to the ANPP 69 reports, 40 of them were reports to constituents and 29 referred to regulation drafts and bills. Also, 102 research projects of economic and social interest were completed, with a total of 805 recommendations. Only six of them were submitted for the consideration of the National Assembly. The unanimously approved permanent committees report indicated the work performed by those groups had difficulties and deficiencies and added they will be able to contribute to the rectification process we have begun by working toward that goal.

Discuss Civil Code Draft

FL251637 Havana Radio Reloj Network in Spanish 1505 GMT 25 Dec 86

[Text] With Commander in Chief Fidel Castro in attendance, the National Assembly of the Peoples' Government [ANPP], which opened at Havana's Palace of Conventions this morning, began discussing the final draft of the civil code.

ANPP President Flavic Bravo reported that Carlos Rafael Rodriguez, Jose Fernandez Alvarez, Juan Escalona and Jesus Montane, among others, form part of the code's drafting committee.

He said the 11th regular period of the second legislature of the ANPP will begin discussing the draft but the debate will end in July so the new ANPP delegates have a chance to give their views.

Flavio Bravo underscored all the present delegates' appreciation for the work performed under the direction of Blas Roca Calderio on the initial civil code draft.

Hear Cienfuegos Report

FL252147 Havana Radio Reloj Network in Spanish 1902 GMT 25 Dec 86

[Excerpts] The first work session of the 11th regular period of the second legislature of the National Assembly of the Peoples' Government [ANPP] concluded this morning with the discussion of the Cienfuegos Provincial Assembly's report. Fidel was in attendance. During the session, the commander in chief repudiated the miserable stance of the Spanish Parliament president, who proposed Cuba's exclusion from the fourth Ibero-American Conference held in Madrid, because, our country has dark-skinned people, not blond. [passage omitted]

During Cienfuegos Province's report to the ANPP, Politburo Member Vilma Espin took the floor to ask why child mortality has risen in the province. Espin, president of the Federation of Cuban Women, pointed out that the rate has gone down enormously in Granma, while it has gone up by 17 [not further specified] in Cienfuegos. Why hasn't the rate gone down in Cienfuegos as has been the case in other areas of the country, asked Comrade Vilma. Humberto Miguel Fernandez, first party secretary in Cienfuegos, replied that child mortality had indeed risen in 1985 but that it had gone down to 10.8 percent this year, the lowest in the country. The party leader noted that this achievement owed to favorable factors in the province, where a number of responsive measures were adopted.

A good report, which responds to good work; I congratulate the people of Cienfuegos, said Deputy Faustino Perez. He went on to speak about the model units movement, which is one of the activities in which the people's government has been least successful. He said that this had been conceived with the hope that services would improve. Faustino noted that Cienfuegos has problems that conspire against the good progress of that movement in the areas of gastronomy, health, and in some aspects of education. He stressed that this Achilles' heel must be faced and this situation must be the focus of the country's attention so services may be improved. He added that the movement has not followed the necessary rigorousness. [passage omitted]

Castro Debates Report

FL252208 Havana Radio Reloj Network in Spanish 2132 GMT 25 Dec 86

[Text] The afternoon session of the first working day of the 11th ordinary period of the second legislature of the National Assembly of the People's Government [ANPP] opened with the resumption of the debate of the Cienfuegos Assembly report. Moments before the morning session ended, Commander in Chief Fidel Castro noted that there were many important issues to examine before approving the Cienfuegos report. Among them, Fidel cited the question of whether the oil refinery would be completed in 1988, the efforts being made at the electronuclear plant, and the problem of the Cienfuegos Bay oilspill.

A message was read from Luis Leon, president of the Latin American parliament, in solidarity with Argentina's just claims over the sovereignty of the Malvinas.

Castro on Cienfuegos Manpower

FL252319 Havana Radio Reloj Network in Spanish 2138 GMT 25 Dec 86

[Text] The fact that the utilization of the workday has improved from 67 to 78 percent at the Cienfuegos electronuclear plant is the equivalent of having an additional 1,000 workers on the project, Fidel has stated. During his participation in the National Assembly of the Peoples' Government [ANPP], the commander in chief said that despite the characteristics of the project, which requires a large number of controls, if the figure were to go up to 85 percent, that would be the equivalent of 2,000 workers more. Fidel noted that the brigade building the plant will have to build the electronuclear plant in northern Oriente. In order for the brigade to have the manpower needed, a program to build houses for the workers is necessary. If one thinks of long-term stability, the commander in chief added, we have to begin building housing not only in Cienfuegos but also in northern Oriente and in Pinar del Rio.

The basic problem faced by the brigade building the Cienfuegos electronuclear plant is the welders, because the welding work there must be of high quality and precision, Fidel asserted. He said that a school has been built where 400 students are learning to weld. It could be that in the future we might be able to help other countries that do not have enough welders, but for the time being we must recruit more, Fidel declared. He mentioned the political work among 90 skilled welders who came to Cienfuegos from other provinces for 2 years, and noted that 88 of them have stated their intention to continue indefinitely in the construction of electronuclear plants. The commander in chief told the 457 ANPP delegates that party work and construction in Cienfuegos are truly praiseworthy.

CENSURES SPANISH LEADER

FL260339 Havana Television Service in Spanish 0100 GMT 26 Dec 86

[Statement by the National Assembly of the People's Government, ANPP, read by Deputy Ramon Pez Ferro, chief of the ANPP's International Relations Department, at the 11th regular session of the ANPP held in Havana's Palace of Conventions, on 25 December 1986, has unanimously agreed to strongly repudiate the prepotent and reactionary stance of the president of Spain's Congress of Deputies, Mr Felix Pons, who, in a demonstration of his true political feelings, regardless of the flag they hide behind, decided to exclude the ANPP from the fourth meeting of presidents of Ibero-American Democratic Parliaments held in Madrid from 4 to 7 December 1986.

As a full member of the Latin American parliament and having participated in the previous meeting in Mexico, Cuba should have been invited of its own right. Mr Pons exhibited his insolent, prepotent, and discriminatory attitude when responding to a question from surprised journalists who asked him the reason for Cuba's exclusion, said: It is as if someone were trying to organize a club for blonds, and someone else wanted to slip in a dark person. To this, Mexican Senator Gonzalez Corbala, who heads his country's delegation, replied right there at the news conference: I would like to remind Mr Pons that in Latin America, we are all dark, not blond.

The ANPP also agreed to express appreciation for the stand taken by the immense majority of the Latin American parliamentary delegations attending the meeting, which impugned Mr Pons' arbitrary decision, and clearly declared their disagreement with Cuba's exclusion. This demonstrated the solidarity of Latin American parliaments with Cuba, and the mistaken and ill-mentioned position of the president of Spain's Congress of Deputies, who alone could prevail because of his manipulation of regulations, disregarding the rule of majority.

U.S. BLACKS 'VICTIMS OF UNFAIR TREATMENT'

PA281240 Havana International Service in Spanish 0000 GMT 28 Dec 86

["Viewpoint" commentary read by Angel Hernandez]

[Text] First a slave, then a member of a racial minority discriminated against in all respects, the U.S. black citizen continues to be a victim of unfair treatment by the society in which he lives. On certain occasions, U.S. black actor Dick Gregory has rightly said: Let us be honest and admit that the United States is a racist country. Recent developments in New York confirm his view. On 20 December, a black youth who was under attack -- together with two friends -- by a gang of whites, was killed. City Mayor Edward Koch compared this incident to a lynching. However, such incidents must not be viewed as isolated outbursts of racism. They are abetted by a tradition of racial discrimination that the system instills in people and has been present since the merciless lynching of blacks by the Klu Klux Klan while accomplice authorities watched, through the murders of civil rights leaders Martin Luther King and Malcolm X, to the current drama that U.S. blacks are experiencing.

This situation became worse when Reagan arrived at the White House. He suspended subsidies to retrain and give professional education to the unemployed. He also cut back on social programs. These measures chiefly hurt ethnic minorities. U.S. Vice President George Bush recently admitted that in that country, the conditions the blacks live in are still unfair. At this point, it is worth noticing that the level of unemployment among blacks is five times as high as among whites. The number of black citizens living below the poverty level is rising. This hampers their access to safe and healthy housing and adequate food. For these reasons, a growing number of blacks are dropping out of school to help their parents. Meanwhile, education policies are also racist. It suffices to say that just 10 percent of all students in U.S. centers of higher education are blacks, while private colleges and schools can bar entrance to races they consider inferior.

Even those blacks whom the United States parades as a showcase of equality suffer the impact of racism. A group of U.S. Foreign Service employees accused the Department of State of systematically discriminating against its black personnel. Out of a total of 150 ambassadors, only 6 are black. Also, blacks are assigned second- and third-rank posts that do not provide opportunities for professional development. The White House, which recently launched a so-called human rights campaign -- but which really seeks to discredit governments that do not respond to its interests -- is the main violator of these rights in its own country. These are the racist and discriminatory policies blacks suffer in the United States.

JAMAICA

TRADE WITH CARICOM PARTNERS TERMED 'SLUGGISH'

FL242327 Kingston Domestic Service in English 2300 GMT 24 Dec 86

[Text] Jamaica's trade with its Caribbean Community -- Caricom -- partners remained sluggish during the first 9 months of this year. According to figures by the Bank of Jamaica, the island's modest surplus was more than half [as heard]. The island's Caricom surplus between January and September was $4.78 million U.S. compared with $11.2 million over the same period last year. Total exports during the 9-month period were U.S. $23.3 million, down by $1.1 million compared with last year, while imports were $5.3 million higher at $23.6 million.

Jamaica recorded deficits during the review period with Guyana, Trinidad and Tobago, and Dominica. Last year Jamaica only recorded a deficit with Dominica. The biggest deficit of $4.2 million was with Trinidad and Tobago, from whom Jamaica imported more than $13 million and exported $9.2 million.

GOVERNMENT INTRODUCES ANTIDRUG SMUGGLING MEASURES

FL251302 Bonaire Trans World Radio in English 1130 GMT 25 Dec 86

[Text] Postal authorities in Jamaica have introduced new regulations on outgoing mail to curtail drug smuggling. The new regulations include a provision requiring people sending packages to provide identification and their residential address and inspections of outgoing mail.

TRINIDAD AND TOBAGO

PRIME MINISTER ANNOUNCES NEW CABINET 19 DEC

FL200020 Bridgetown CANA in English 2358 GMT 19 Dec 86

[By Debra Ransome]

[Text] Port of Spain, Trinidad, Dec 19, CANA -- New Prime Minister A N R Robinson announced the bulk of his much-reduced cabinet today taking for himself the key finance portfolio.

Basdeo Panday, one of Robinson's two deputies in the National Alliance for Reconstruction (NAR), was given responsibility for external affairs.

Panday and nine other ministers took the oath of office before President Ellis Clarke today to add to Robinson and Attorney General Selwyn Richardson who had done so earlier.

Two others will be sworn in on Monday to bring the size of the cabinet to 14, eight fewer than in the last administration of the Peoples National Movement (PNM) which ruled for 30 years until its stunning defeat by the NAR in general elections Monday [15 December].

Several of the ministries have been amalgamated into so-called super-ministries under which junior ministers will be given added responsibility, NAR sources said tonight.

One woman is in the cabinet -- Mrs Jennifer Johnson, who was responsible for youth affairs in the office of the chamber of commerce and industry. She is minister for youth, culture, and creative arts.

A place is also found for Lincoln Myers who defeated outgoing Prime Minister George Chambers. Myers, a former senator who sprang to prominence a year ago when he staged a much-publicised limited fast against corruption, is minister of food production, marine exploitation, and forestry.

Robinson appointed two full ministers to assist him in the finance ministry -- Selby Wilson, a former head of the state-run telephone company, and economist Trevor Sudama.

Other appointments:

Minister [of]:
Planning and Reconstruction --- Winston Dookeran
Works, Settlement, and Infrastructure --- John Humphrey
Energy --- Kelvin Ramnath
Labour, Employment, and Manpower Resources --- Albert Richards
Health, Welfare, and Status of Women --- Emmanuel Hosein

The names of the other two ministers were not announced. Neither have the portfolios of education, transport, and national security been filled so far.

Only two members of the cabinet have previous ministerial experience -- Robinson and Richardson, who served in the same posts in previous PNM administrations.

Panday, 53, who now directs the country's foreign relations, has his power base in the labour movement, particularly the sugar belt in central Trinidad.

The lawyer/politician said he will resign his position as president general of the All Trinidad Sugar and General Workers Trade Union next week.

He was opposition leader in the last parliament and was head of the United Labour Front, one of four parties which merged to form the NAR last February.

Dookeram, an economist, was regarded as the architect of the NAR manifesto.

The cabinet was having its first meeting tonight and Robinson was expected to hold a news conference afterward.

This morning he met with permanent secretaries to discuss the operations of government.

Remaining Members

FL241700 Bridgetown CANA in English 1646 GMT 24 Dec 86

[Text] Port of Spain, Trinidad, Dec 24, CANA -- Newspaper publisher Ken Gordon was today named among three ministers to complete the 14-member cabinet of new Prime Minister A N R Robinson.

Gordon, managing director of the daily TRINIDAD EXPRESS Newspapers and with interests in several other regional newspapers, was appointed minister of industry and (state) enterprises.

The other two appointments were Herbert Atwell, chairman of the ruling National Alliance for Reconstruction (NAR), as National Security Minister and former High School Principal Clive Pantin, as education minister.

Pantin, known regionally as a cricket commentator, is vice-chairman of the NAR, which scored a landslide win in general elections a week ago.

All three ministers were also named as government senators. Both Atwell and Pantin were sworn in today by President Ellis Clarket. Gordon was said to be in Jamaica on holiday.

The size of the cabinet is reduced from the 22 in the former administration of the People's National Movement, fulfilling an NAR election pledge.

Two ministers named earlier to assist Robinson in the Ministry of Finance and four other announced today will not be in the cabinet.

Dr Carson Charles, who defeated former industry minister Wendell Mottley, is one of the two junior ministers in the Works Ministry. The other is Joseph Toney.

Pamela Nicholson, representative for Tobago West, was named to the Education Ministry and Dr Brinsley Samaroo to the prime ministers' office with special responsibility for the proposed decentralisation of power to local government councils.

Three parliamentary secretaries were also announced. Gloria Henry was appointed to the ministry of External Affairs, freelance journalist Eden Shand, Ministry of Food Producton, and Ken Butcher in the Ministry of Sport.

The new junior ministers and parliamentary secretaries will be sworn in next week.

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GOVERNMENT REORGANIZES INTELLIGENCE CENTER

Leadership Named

PY282103 Buenos Aires LA RAZON in Spanish 28 Dec 86 p 9

[By Jose Antonio Diaz]

[Text] The government has decided to implement a permanent executive board as the coordinating body of the National Intelligence Center [CNI], which was created in 1972 during the administration of General Alejandro Agustin Lanusse but was virtually inactive during the Justicialist administration from 1973 to 1976. Decree No 1959, which was signed by President Raul Alfonsin in late November 1986, does not establish a new intelligence center but rather seeks to revitalize an inactive organization. Up to now each military, police, prefecture, or border police intelligence center has been operating on its own without coordination. In the opinion of the official sources questioned yesterday by LA RAZON, the decree entails "an important step in the civilian control over the military intelligence services."

Facundo Suarez has been appointed head of the CNI. Suarez will be supported by Ricardo Tomas Natale, who served as a UCR [Radical Civic Union] deputy from 1973 to 1976. Natale is a young man with a doctorate in economics who has long been associated with the classical UCR sector represented by Fernando de la Rua. On the same level with Natale will be Brigadier Generals Eduardo O'Higgins (of the Joint Staff) and Francisco Gassino (of the Army), Rear Admiral Argimiro Fernandes (of the Navy), who will soon be promoted to vice admiral, and Brigadier General Jorge Ruiz (of the Air Force), all of whom are members of the II Department of Intelligence. Another important point of the government decree involves the appointment as permanent members of the Executive Board of Under Secretaries of State Raul Alconada Sempe (of the Foreign Ministry), Jorge Gonzalez Loncieme (of the Defense Ministry), and Rodolfo Mugnolo (of the Interior Ministry); they are the second-in-command to Jorge Sabato, Alfredo Mosso, and Facundo Suarez Lastra, respectively. Another important name in the new organization chart is that of Chief Federal Security Inspector General Roberto Scoppa.

The CNI will be involved in "strategic intelligence," and not "domestic security." An official source told LA RAZON that the intention is to ensure and expedite "the contacts and coordination among the intelligence activities being conducted by each branch of the Armed Forces." In order to facilitate these mechanisms of contact, the three branches of the Armed Forces have appointed a lieutenant colonel, a captain, and an Air Force lieutenant colonel, who are closely cooperating with Facundo Suarez to outline a consistent policy.

The policy supported by Suarez through patient and delicate efforts since he took over the SIDE [Secretariate for State Intelligence] head in May 1986 is that "the quality of talks with the military depends on resolving military problems." Suarez' efforts have obviously contributed to expediting talks among the intelligence sectors of the three branches of the Armed Forces, although the mutual reservations, even after the signing of the decree, cannot be forgotten.

From May to November 1986, the SIDE head met nearly every week with officers from the three branches of the Armed Forces "to calm misgivings and prejudices," according to sources close to Suarez.

Issues discussed during these talks included the trials of military men for human rights violations, the low budget of the Armed Forces, and the hard debate on the operational military capability and the acquisition of arms and technology by the Armed Forces. According to sources linked to the CNI, these are the "problems" whose solution can improve relations between the civilian government and the military institutions. The same sources commented that "even with the reservations and defective coordination, the role played by Facundo Suarez has been and will continue to be essential to progress in the mutual understanding between civilians and soldiers. This does not mean that the military intelligence services have already accepted the democratic government's control, but we are on the right track."

New Chief Views Objectives

PY292007 Buenos Aires TELAM in Spanish 1315 GMT 29 Dec 86

[Text] Buenos Aires, 19 Dec (TELAM) -- Facundo Suarez, head of the Secretariat for State Intelligence (SIDE), said the National Intelligence Center (CNI), which was created by the executive branch, will coordinate all the intelligence services performed by the security and Armed Forces, thereby making them more efficient and unifying the collection of intelligence. He added that at this time, national strategic intelligence in the economic, political or social areas is gathered at the president's request, but that it no longer has a clandestine, political nature. It has been transformed into an element of better government.

As an example, Suarez cited the SIDE studies on economic developments, the interpretation of international economic events, political events, and even events in neighboring or other countries. The government accepts or rejects those studies when making decisions on international policy, he said. The intelligence department delivers the information and the executive branch, that is, the president, makes the decision using these elements if he deems them to be appropriate, he said.

He added that in time the CNI and the other integrated services will have a joint computer center. Asked about the purging of the files of those services, he said that that stage has definitely been overcome because there is now a high degree of professionalism. He said that records are now being cleaned up by adding explanations to the files, and stressed that what they have not done is to commit the irresponsible act of burning them. They belong to the nation, and they just need to be organized to avoid mistakes, he added.

Regarding legislative control over the activities of the SIDE, he concluded by saying that no organizations are excluded from Congress' scrutiny, even if they are secret.

FURTHER REACTION TO FULL STOP LEGISLATION

Rights Assembly Complains

PY292212 Buenos Aires BUENOS AIRES HERALD in English 28 Dec 86 p 15

[Text] (DYN) -- The Permanent Assembly on Human Rights (APDH) said yesterday the full stop bill recently passed by Congress and signed into law by President Raul Alfonsin was the starting point of an offensive by the military and far right elements aimed at an amnesty for human rights violators, who had already been condemned.

The APDH said in a statement that the law setting a deadline for the filing of charges of human rights violations during the former military regime "lacked a general consensus and has already sparked confrontations which only serve to cause splits in the democratic forces with the dangers that this implies."

The statement said the text of the law and the reasons for it as stated in parliamentary debate were "transparent messages to the courts for trials in process to continue slowly and those which have not been initiated to continue as such until the passing of time favours the accused as happened in the case of (Navy Lieutenant Alfredo) Astiz."

The APDH claimed the law "affects the very foundation of a state of law and the equality of all before the law and its influence on our society will be felt in the future when the unpunished of today become the repressors of tomorrow."

The organization said it regretted the haste with which the government bill was passed "reflecting the zeal of the pressures and commitments alien to the democratic commitment," and called on the government to instruct prosecutors to push pending cases "to avoid finding ourselves faced with an amnesty in disguise."

The second vice president of the Christian Democratic party, Alberto Aramouni, also came out against the law and accused Alfonsin's government of bowing to military pressure and "tarnishing the dignity of the institutions."

Aramouni, a member of the Lower House of the Buenos Aires province Congress, said the full stop law "set a dangerous precedent, that of paying greater attention to the pressures of military groups than to the legitimate claims of the Argentine people."

LA PRENSA Favors Amnesty

PY142340 Buenos Aires LA PRENSA in Spanish 6 Dec 86 pp 1, 4

[By J. Iglesias Rouco]

[Excerpt] We praised, even before December 1983, the long list of intentions, or alleged intentions, which Mr Alfonsin brought to power with him, because the items on that list sought to reestablish the principles of law in a country which had been submitted to all types of outrages for decades, mostly during the so-called "process." During this period, the regime destroyed the legal foundation of the state through the aberrant methods it used to fight subversion, and feudalized its administration, including that of the Armed Forces.

Naturally, after the Malvinas war, we proposed a truce, under the condition that the military chiefs expressly recognize the crimes which they had committed and assume responsibility for them. If they had done this, a very important step toward reestablishing the law would have been taken. What happened, however, was very much the opposite: The last leaders of the "process" granted themselves amnesty and insisted on defending the methods they had employed. Therefore, Mr Alfonsin's decision to submit the leaders of the "process" to trial seemed highly commendable and it would have been if it had been carried out expediently. According to what is required by the military justice codes, the trials should also set examples and help restore the image of the Armed Forces.

Above all, the trials should put an end to the years of ignominy, terror, and resentfulness that oppressed the Argentine conscience. They should contribute to national reconciliation, or help to retrieve the nation from ruins. We remember very well that at that time Mr Borras, Alfonsin's close friend and probably "alter ego,"

reassured us that the trials would be conducted expediently. He even indicated that the "review" would last only a few weeks or, at most, a few months. "This is no time for us to look back for too long," he said.

A short while later, however, when the "revision" system was approved at the suggestion of the executive branch, we realized that that permanently distorted, unusual mixture of laws and procedures and the overall campaign which the state's "mass media" [two preceding words in English] launched against the military institutions, would inevitably become a tool to destroy institutions and to create systematic confusion among the public. We also realized that the "revision" system would keep the country in a "sine die" [indefinite] state of anxiety, deepening even further the gap between the political and military powers, thus deteriorating the stability of the government and democracy itself. Therefore, during the last 3 years, we have continued to voice our criticism and warnings. These warnings are similar to those the leaders of Alfonsin's beloved European social democracy have repeatedly expressed to the Casa Rosada. In the end, all we have done is add opportunism and scandal to tragedies such as the missing persons. These trials should have made the majority of Argentines, who are responsible for the abuses, think.

We cannot be accused of having stoked the revisionist fire, which is apparently being used by many to expiate their guilt, or to conduct political and geopolitical maneuvers. For this reason we, who have not favored either faction, have an obligation and a greater moral right to reject the full stop bill. This cannot be said of those who have hidden behind barricades. We feel an obligation to reject this bill, because it is overtly illegal, and lacks a historical and ethical basis. We also feel that we must reject it, because this bill has little or no chance of putting any full stop to the senseless show, which we have been watching.

It is evident that Alfonsin is coming close to new presidential elections, and that many of his followers are becoming morally exhausted and generally tired of this comedy and the unpredictable moods of the Casa Rosada which focus on the Armed Forces, the labor unions, and the so-called "captains of industry." It is also evident that the economic crisis will soon make it necessary for the Armed Forces to help keep order. For this reason, it is advisable for the government to placate the Armed Forces and to seek their favor.

It is a little too much, however, to see the Casa Rosada once again transfer to Congress and the courts the burden of make-believe political "solutions" that violate the most basic principles of law, the same way the revionist "solution" broke the law in 1983. It is a little too much to see the Casa Rosada try again to adopt this attitude, because when the government proposed the full stop bill it already -- I insist that the government already -- knew, and perhaps had already accepted the fact that this new solution could end as many others have ended: accomplishing absolutely nothing. However, even if it ends in nothing, it will have increased the gap between the judicial and the executive branches, and the frivolity currently reigning in Congress (probably a consequence of the Caesar-like attitudes being adopted by the executive branch).

It is hard for us to make these remarks, because we do not think that total forgetfulness is a better solution. At the present moment, however, when the "revision" of the "dirty war" has reached a blind alley, we see no other solution bu amnesty. By proposing amnesty, the Casa Rosada would assume its historical responsibilities, and would, one way or the other, be correcting its mistakes while safegurding the other state institutions, particularly the courts, without which no trustworthy state can exist. [passage omitted]

GOVERNMENT, STRIKING MINEWORKERS BEGIN TALKS

PY280016 Madrid EFE in Spanish 2139 GMT 27 Dec 86

[Text] La Paz, 27 Dec (EFE) -- Talks between the government and dismissed Bolivian mineworkers who have been on hunger strike since 22 December began today in La Paz, and the two sectors hope that these talks will lead to a solution to the conflict.

According to leaders of the Trade Union Federation of Bolivian Mineworkers [FSTMB], these talks were arranged through the mediation of La Paz Auxiliary Bishop Msgr Alejandro Mestre, who made the contacts at the request of the dismissed mineworkers.

Planning Minister Gonzalo Sanchez de Lozada is participating in the talks on behalf of the government, while several FSTMB leaders and mineworkers leaders are representing the strikers.

The dismissed miners want the government to provide them with new employment opportunities, better severance pay, payment of transportation costs, payment of their debts for the purchase of food from the State Mining Corporation of Bolivia [Comibol], and other benefits.

The FSTMB has asked for international solidarity with the 2,500 dismissed mineworkers who are on hunger strike. In this regard, the FSTMB sent a communique to the International Labor Organization, the World Trade Union Federation, the World Labor Confederation, the Human Rights Organization, and other organizations.

In the document, the FSTMB states that the Bolivian Government "after laying off thousands of mineworkers from Comibol, and paralyzing productive activities in the state mines, refuses to meet the social needs of the mineworkers, who demand the fulfillment of the commitments they have assumed." The FSTMB states, therefore, that because the government did not respond, the dismissed workers, and their wives and children, began a hunger strike.

The communique concludes by saying that this situation is the result of the "antiworkers policy" that is in effect in the country, and that for this reason the FSTMB is requesting international solidarity so that the La Paz government will pay attention to the problems of the dismissed mineworkers.

HUANCHACA CASE SUSPECT ESCAPES FROM CLINIC

PY240223 Paris AFP in Spanish 2349 GMT 23 Dec 86

[Excerpts] La Paz, 23 Dec (AFP) -- It was officially reported here today that drug trafficker Humberto Gil Suarez escaped yesterday from a clinic in Santa Cruz (1,000 km east of this capital), provoking the resignation of the district prosecutor, the suspension of police Narcotics Division Chief Colonel Milton Vaca, and the arrest of 30 policemen.

Interior Ministry authorities noted that Gil Suarez is the principal suspect in the case of the triple murder and discovery of a cocaine factory on a farm in Huanchaca (on the border with Brazil) on 5 September. [passage omitted]

Interior Minister Fernando Barthelemy reported that Judge Edgar Pena Rueda had been pressured by drug traffickers to hand down a decision favoring Gil Suarez. This information was released on 20 and 21 December and it is said that the judge was paid $200,000.

Court Approves Habeas Corpus

PY260109 Madrid EFE in Spanish 0035 GMT 26 Dec 86

[Excerpt] Santa Cruz, 25 Dec (EFE) -- The district court of this city, east of La Paz, yesterday ruled in favor of the writ of habeas corpus submitted on behalf of Humberto Gil Suarez. Gil Suarez is accused of being responsible for the Huanchaca murders and the killing of Deputy Edmundo Salazar.

Thus, the drug trafficker obtained his freedom, and at the same time he "legalized" the escape he staged on 22 December from a local clinic where he was being treated for heart problems. [passage omitted]

PAZ DESIGNATES NEW INDUSTRY, COMMERCE MINISTER

PY242034 La Paz La Red Panamericana in Spanish 1700 GMT 24 Dec 86

[Text] Fernando Moscoso has been designated new industry, commerce, and tourism minister. Moscoso replaces Roberto Gisbert who resigned from the post.

According to a decree released today from Government House, the president of the Republic has chosen Fernando Moscoso as the new member of his cabinet.

Moscoso is currently under secretary of revenues in the Finance Ministry. According to the government decree, he will assume his new post on 26 December at Government Palace. The resolution of the decree states:

Article 1. Fernando Moscoso is hereby designated new industry, commerce, and tourism minister.

Article 2. the installation ceremony will be held at Government Palace on 26 December, at 0930. At this time, the president of the Republic will not make any other changes in his cabinet.

COURTS TO EXTRADITE NOBISTOV CREW TO ARGENTINA

PY272222 Buenos Aires DYN in Spanish 2258 GMT 26 Dec 86

[Text] Buenos Aires, 26 Dec (DYN) -- It has been learned in diplomatic circles that Brazilian judicial officials have granted the extradition to Argentina of eight U.S. citizens involved in arms smuggling.

The eight U.S. citizens arrested by Brazilian officials were crew members of the Panamanian vessel Nobistor, which was commanded by an Argentine. The vessel was captured last March in Brazilian waters on its way to Ghana with an arms shipment that had been loaded in Argentina.

According to Brazilian press reports, four of the U.S. citizens escaped from jail a few days ago. Three of them are already in the United States.

A substitute judge is replacing Judge Azquez Acuna, head of the Sixth Criminal and Economic Court, who is vacationing in Brazil. The substitute judge's attitude regarding the three refugees who are already in the United States is not known.

It is presumed that under the extradition treaty for common crimes between Argentina and the United States, Argentina will ask for the extradition of the three U.S. citizens.

If this is the case, the court will have to channel its extradition request through the Argentine Foreign Ministry.

LOCAL GOODS FACE INCREASED U.S. DUTIES

PY242056 Sao Paulo Radio Bandeirantes in Portuguese 1500 GMT 24 Dec 86

[Text] Several Brazilian-made products have become more expensive in the United States as a consequence of President Ronald Reagan's decision to reduce the number of goods on the preferential treatment list, that is, goods that are exempted from taxation.

This measure should be implemented next week and is designed to force President Sarney's government to open up the Brazilian market to U.S. exports and investments. U.S. legislators maintain that Brazil is one of the ountries with the greatest number of restrictions on the entry of foreign products. However it is among the countries that benefit most from the tax exemption system created in 1975 to encourage exports by developing countries to the U.S. market.

Chemicals and leather goods, as well as spare parts for piston engines, are some of the products on which there will be a 6 to 7-percent tax.

Since 1975, Brazilian exports totaling $1.3 billion have benefited from the preferential treatment system, but this amount will be reduced substantially with the new U.S. measure.

The surplus of the Brazilian trade balance that amounted to $131 million in November should increase. The Finance Ministry estimates that this surplus will amount to around $700 million.

INTEREST POSTPONED ON JAN-MARCH DEBT PAYMENTS

PY271552 Rio de Janeiro Rede Globo Television in Portuguese 2155 GMT 26 Dec 86

[Text] Antonio de Padua Seixas, international affairs director of the Central Bank, has just reached an agreement with creditor banks in New York. Under the agreement, Brazil gets a 3-month extension on the temporary agreement that was scheduled to expire on 31 December. The new agreement establishes that Brazil will continue to pay the debt in January, February, and March in the same way it has been paying in 1986, but with no interest. The interest rates for these 3 months will be fixed later when Brazil renegotiates the main part of its debt.

GOVERNMENT REPORTEDLY PRESSURES BANKS ON DEBT

PY291526 Madrid EFE in Spanish 1422 GMT 29 Dec 86

[Text] Brasilia, 26 Dec (EFE) -- The newspaper CORREIO BRASILIENSE reported today that Brazil has decided to cancel the licenses of local branches of international banks which refuse to renegotiate the debt that Brazil has with them.

The U.S. Mellon Bank, a small bank, is the first foreign bank to suffer from this measure. It has been ordered to close its two offices in Brazil.

The newspaper, quoting from a U.S. banking source, added that the decision has aroused concern among creditor banks.

Reynaldo Ferreira, an official of the Brazilian Central Bank press office, told EFE that he knows nothing about this decision. Brazil has proposed to its creditor banks the renegotiation of its $108-billion foreign debt at interest rates below 1 percent and the granting of new credits.

BRIEFS

MACHINERY INDUSTRY GROWS -- According to report by Abimac [Interstate Machinery Industry Union], the national machinery industry, which grew 14.7 percent in 1986, has already sold most of what it will produce during the first semester of 1987. The machinery industry sector will invest about 14 million cruzados in its production. The sectors which grew most during 1986 were: printing and textile machinery, tools and farming equipment. [Text] [Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 24 Dec 86 PY]

FPMR ON TRAINING, ARSENALS, PINOCHET ATTACK

PY241301 Santiago HOY in Spanish 15-21 Dec 86 pp 15, 16

[By Antonio Martinez]

[Excerpts] [passage omitted] The heat in Santiago at mid-morning was suffocating. The day before -- 9 December -- the clandestine news conference summoned by the extremist group had not been held, and nobody gave any explanations. It was said that it was for security reasons. [passage omitted]

But 24 hours later the FPMR once again summoned the news conference, and from four different points of the capital the journalists started the long journey to meet in a back street in the high part of the city. [passage omitted]

Behind a table covered with a red table cloth sat two hooded "commanders" of the FPMR National Board -- "Jose Miguel" and "Daniel." A third hooded individual identified as "Pedro", who directed the Carrizal Bajo guerrilla school, and who had managed to flee when the school was discovered by the government's security forces, also entered the room.

There were several reasons for the news conference. On 14 November the movement had its third anniversary, and in addition to releasing a manifesto ("Forward Rodriguistas, forward Chileans, victory will be ours"), they published a booklet by Patricio Manns entitled: Notes About Patriot Manuel Rodriguez Erdoyza. However, the most important reason, as disclosed in HOY issue No. 490, was to claim responsibility, for at least part of the arsenals discovered in Carrizal Bajoa. The claim was made from the Santiago prison. Five individuals indicted by ad hoc Judge Lieutenant Colonel (J) Fernando Torres Silva disclosed, through the FPMR "commanders," a declaration admitting that the arms belonged to the extremist movement.

The brothers Claudio and Victor Molina Donoso, Sergio Buschmann Silva, Alfredo Malbrich Baltra, and Jose Abelardo Moya asserted that "we consider essential the organization of political-military cadres and the training of members of the front (...): the introduction of materiel into the area of operations is part of the political struggle expressed in the military strategy." According to those responsible for this declaration, the government "has organized the most absurd propaganda farce and has incredibly exaggerated the number of weapons found." They also reported that they have been subjected to "unimaginable forms of torture."

The news conference got underway by referring to the aforementioned declaration. After recognizing that the face in the pictures carried in the press was his, "Pedro" said: "We ran one guerrilla school in Caleta Correales and another in Huasco. We also had financial backing and legal fronts. The Chungungo Limitada company and an algae-gathering company facilitated the movement of personnel and the transportation of weapons on rafts."

According to "Pedro," the schools were created in 1985, and, through a rotational system, various training courses were held, such as target shooting. "We had a stock of arms which was indispensable for training," he said. He assured us that these arms "did not come from Cuba, nor did they come in fishing boats. We bought them on the international market to exercise our right to arm ourselves."

But the highlights of the news conference were commanders "Daniel" and "Jose Miguel," two hooded young men, with well-manicured hands. They said that the FPMR already has "15 martyrs." It has doubled the number of fighters it had last year, and it is very optimistic about the future.

[Question] Why do you now claim responsibility for the arsenal discovered at Carrizal Bajo?

"Daniel": We are claiming responsibility for the guerrilla schools and some arms caches because of the way the government is utilizing those discoveries. We accept responsibility for what we state here, but for nothing else.

"Jose Miguel": They were important guerrilla schools, and their discovery was an important loss for us. But we have gained some experience in this and we will continue to train more people.

[Question] Are those who were detained held in connection with the arms caches of the FPMR?

"Jose Miguel": Some were members, but others only participated in the cover-ups and knew nothing about what was being done, and still others are plainly innocent.

"Daniel": They have been subjected to what we call boot camp training. This includes torture exercises using animals and reptiles. With these methods, an individual is forced to accept anything.

[Question] And what about those who were arrested in connection with the attempt on Pinochet's life?

"Jose Miguel": We will give you this answer: Some of them are militants of our organization and participated in the attempt, but others do not belong to our organization.

[Question] Had the attack on Pinochet been successful, what would the FPMR have done?

"Daniel": What would we have done? We believe there would have been greater popular rejoicing. The attack, however, was not related to any larger FPMR plot.

"Jose Miguel": We are sure that the masses would have come out on the streets, that there would have been a great outpouring, and we would have been in the middle.

[Question] What would your attitude be toward a center-right transition government?

"Jose Miguel": We are united behind a specific objective. The reinstitution of democracy. This is why we take up arms. If we attain that objective, thus providing the people the opportunity to freely choose their destiny through participative and democratic elections, we will abide by the people's will.

"Daniel": But we want to make our position clear. The ouster of Pinochet is not enough. This is a far-reaching process. The FPMR will not go to Constitution Plaza the day after Pinochet's downfall to lay down its arms.

This should be made clear to everyone so that nobody will be deceived: We will do nothing to hinder the transition to democracy. However, the people who have known repression, who have gained experience must not act naively. What will the FPMR do? We will have to discuss this with the various factions within the FPMR.

[Question] What will happen when the Pope comes to Chile? Will you call for a truce?

"Daniel": We will do nothing to hinder the movements of the Pope. We will adopt an attitude consistent with the purpose of the visit, because we will not fall for provocations from the regime. But, of course, we want the Pope to learn of the people's demands, the country's true reality.

"Jose Miguel": Probably there will be a truce during that time. But if we call for a truce, what will the government do? Will it allow the exiles to return? Will it release the political prisoners?

[Question] Do you maintain any relations with the MIR [Movement of the Revolutionary Left]?

"Jose Miguel": We do not maintain any special relations. Our relations with the MIR are similar to those we maintain with other organizations. Many groups and militias that respect our demonstrated military and political capability are behind us. The FPMR has gained influence through its struggle and correct leadership.

"Daniel": All the organizations that confront the regime with armed resistance will converge and there will be greater coordination among them: The popular militias close to the MIR, the Lautaro Youth, the Popular Brigades 5 April, and a number of autonomous militias.

[Question] It is difficult to believe that the FPMR does not have relations with other organizations...

"Jose Miguel": It may be difficult, but that is the truth. We are an autonomous politico-military organization. The mass mobilization, in which our fighters participate, is the way to put end to this regime. We are making an effort so that the people will develop the ability to arm themselves.

"Daniel": We do not consider ourselves to be the chosen people; nor do we believe we constitute the liberating army. We are just working to enable the people to rise up against the military regime.

DEL VALLE TO SIGN PEACE WITH POPE, ARGENTINA

PY300148 Santiago El MERCURIO in Spanish 28 Dec pp, A1, 12

[Excerpt] Foreign Minister Jaime del Valle yesterday confirmed that while in Uruguay in March, Pope John Paul II and the Chilean and Argentina foreign ministers will sign a document for peace in the Southern Cone.

The foreign minister said that the document will be signed on 31 March, the day the sovereign pontiff arrives from Montevideo. Del Valle will travel alone on that occasion meet with his Argentine counterpart, Dante Caputo. Del Valle pointed out that he is unaware if any other Latin American foreign ministers will attend the ceremony.

Del Valle explained that the invitation to attend this ceremony was issued by the Uruguayan Government and the Holy See. [passage omitted]

PATRIA CRITICIZES U.S. ENVOY'S REMARKS

PY291513 Asuncion PATRIA in Spanish 28 Dec 86 p 7

[Editorial: "Rash Declarations"]

[Text] This is an introduction to our editorial of tomorrow, Monday. If we give this introduction space on these columns it is because we consider important not only the subject but also its source.

It has to do with the declarations made by Phyllis Oakley, "the assistant spokesman for the U.S. Department of State," [title as published] according to our source. In his declarations, this U.S. Government official said that there are hordes -- groups that resemble "savage troops" -- in Paraguay that attack both private property and freedom of expression. At least he said that these "hordes" are not official. At any rate, judging by the facts, those who deserve that label seem to be less reproachable than those whose acts, such as the invasion of private land or the clandestine exploitation of natural resources on private properties, are justified by the church with the argument of being committed in a "state of necessity."

Phyllis Oakley goes so far as to hint at the existence of a general situation "designed" for the purpose of "suppressing the opposition" and denying "internationally accepted basic human rights, including the right of private property and the freedom of expression," as though some Paraguayan official agency or official had taken over or ransacked someone's private property. As far as we know, the government has not taken over any newspaper, radio, or television station so as to be blamed for such violations of private rights. Moreover, Oakley's verbal terrorism does not reflect the truth but rather reflects a falsehood by making a generalization and a blind attack, as though on behalf of an interested party.

In his attempt to blow a couple of cases out of proportion, he goes to the rash extreme of aggressively recommending "urging" the national authorities "to act energetically to protect basic human rights in Paraguay." This recommendation is addressed to the Paraguayan authorities precisely at a time when terrorist violence is spreading blood and death on the Andean mountains and human rights violations are terrifying in the Middle East. We refuse to believe that Oakley is unaware that the political situation in Paraguay is normal: It is ruled by a legitimate Constitution, with an Executive and a Legislative Branch legally elected in pluralist elections, and a Judicial Branch formed by respectable lawyers, well-qualified both morally and intellectually. We also refuse to believe that Oakley is unaware that there has been no dirty war in Paraguay, where terrorism has never set foot although it has tried that the Paraguayan people abhor the violence of the extremists of public tranquillity and order by denouncing the smallest suspicious movement wherever it appeared. There is no blood; slate to be cleaned here, no history of missing persons to be told in chapter and verse, as in other countries in the region, where a "full stop" had to be put on this matter in order to bring about a real reconciliation and coexistence.

All those abuses which broke down the institutions in important contries, deeply Christian and democratic countries, have barely scratched Paraguay. [paragraph continues]

Such abuses were fortunately avoided and, thus, despite difficulties and limitations, it has been possible to consolidate a democratic order which holds open all its possibilities, because we do not have accumulated rancor and because the experience took place within the framework of the law. Within this framework everything is possible and such is the government's position, to keep paying attention to the people's generous character.

No kind of irresponsible behavior can be more dangerous, if you will excuse the term, than drawing from a couple of doubtful and highly debatable cases a picture that does not reflect at all the reality of the country or the status of "basic" human rights. If the issue in question is "sustained press censorship," then all we have to do is take a look at the four independent newspapers, the dozens of radio stations throughout the country, at opposition news media, at publishers and bookstores that sell hundreds of Paraguayan books written by men of different professions, different leanings and belonging to different parties. As to the rash supposition that an effort is being made to "gag the opposition," a label coined thousands of kilometers away and behind the backs of the country, it is tantamount to trampling all over facts that even the lowest employee of the U.S. diplomatic mission here knows because they have witnessed it even under their own roof on memorable occasions -- namely, that the irregular opposition is the one that has foresaken normalcy and does not want to return to it. To do this it will have to comply with the law in some cases, abide by their own party charter in other cases, and there is even one case -- that of the Febrerista Revolutionary Party -- in which all that is needed is to give up unproductive abstentionism and participate once again through party proposals and candidates at the elections.

However, the core of the matter in the light of what Oakley has said, we will leave for tomorrow's commentary because today is a day for resting and it is believed that people do not read on Sundays, they merely entertain themselves. We are not quite sure whether or not this is the case but let us say it may be so and leave things as they are until Monday.

JUDGE FREES LEADERS OF NURSES, MEDICAL STUDENTS

PY240006 Asuncion ULTIMA HORA in Spanish 23 Dec 86 p 56

[Text] Criminal Judge Mario Soto Estigarribia this morning ordered the release of Hector Lacognata, president of the Medical Students' Association and Elsa Mereles [president of the Hospital de Clinicas Nurses' Association] who had been charged with allegedly violating Law 209 (defense of public peace and individual freedom).

The judge has notified the appropriate penitentiary authorities and instructed them to carry out his orders. The police have charged both Lacognata and Mereles with inciting to seditious activities and offending the government and the president of the nation. In their testimonies, the two defendants flatly denied the charges stating that their activities are purely unionistic. In view of this, the judge decided to release the two persons ruling that at this point their actions do not constitute crimes.

LIMA MAYOR ON PRIME MINISTERSHIP, CUBAN ISSUES

PY241711 Lima Radioprogramas del Peru in Spanish 1330 GMT 22 Dec 86

[Interview with Lima city Mayor Alfonso Barrantes by reporter Humberto Martinez on the "Expanded News" program; time and place not given -- recorded]

[Excerpts] [Passage omitted] [Martinez] There are rumors that you have been offered the post of prime minister within the next few months.

[Barrantes] Who has been offered that post?

[Martinez] You. They say that your relationship with the president is very good and that you will be offered the post as prime minister to make up for your possible defeat in the mayoral elections.

[Barrantes] Look here, I am not a person that can be rewarded. Fortunately I am a man of principles and do not practice an 'eye for an eye' policy. That is the policy of the traditional and manipulating right. I have never practiced, and never will practice, this policy. I am pleased that the president of the republic has said no to reelection so that calm may return to the country. The president should have voiced his support for the request made by the United Left and the PPC [Popular Christian Party] to annul the results of provincial elections in Lima and bring complete calm to our country.

[Martinez] What is the overall opinion in Cuba regarding the Peruvian progress, at least regarding our economic progress. Our relationship with Cuba has experienced a series of ups and downs during the recent past as a consequence of some misunderstanding it seems. What is the Cuban opinion of Peru?

[Barrantes] Cubans observe Peru with great attention and expectation. Proof of this is the visit made by Alva Castro and the renewal of this [fishing] agreement, which show the great fraternity with which the Cuban Government and people treat the Peruvian Government and people. This agreement represents a great investment for Cuba because for many months it has had to pay salaries to Cuban fishers and the fuel and maintenance of the fishing ships. Through the renewal of this agreement, Cuba shows that it is willing to continue its help because it contributes to feed the people. I do not think we could expect a greater gesture of fraternity. [passage omitted]

[Martinez] We have always respected your behavior as well as your ideas although we do not share them. Regarding your meetings with the president of the republic, that famous luncheon in a restaurant on the Colonial Avenue and some other meetings you have held with him, could you tell us whether the president has even mentioned the subject of results of municipal elections to you?

[Barrantes] Only briefly. What I want to point out is that I am a friend of the president. Quoting Socrates during a demonstration I said that I am a friend of Plato but I am a better friend of truth and because of this I uphold my principles. I believe that in politics, and in this regard we have matured, the fact that we may have different points of view does not mean that we are not friends. [passage omitted]

CORRESPONDENT LINKS 'PIA VESTA' WITH 'IRANGATE'

PA241644 Panama City CRITICA in Spanish 24 Dec 86 p 1

[Text] Stockholm, December [dateline as published] -- ERSA [Renovacion Publishing Company, Inc] correspondent De Obaldia has learned that the weapons confiscated from the Pia Vesta vessel by Panamanian authorities some months ago were bought with money from the Irangate affair.

The Pia Vesta was hired by Saudi Arabian agents, and the weapons were bought for the "contras," according to what De Obaldia learned from shipping sources in Denmark, the place of origin of the shipowner.

The mysterious ship, which was captured by Panamanian authorities, was chartered by Saudi Arabian shipowners and the payment was ordered by Jeddah. Later on, there was an attempt to link the Peruvian Armed Forces with the load of weapons.

It was reported that the weapons were bought through a Swiss agent with money from the Irangate affair. The weapons were loaded in Rostock, GDR [as published].

LAW AMENDS CRIMINAL, JUDICIAL CODES ON DRUGS

PA290405 Panama City LA REPUBLICA in Spanish 28 Dec 86 pp 1-a, 8-a

[Text] The law "by which several articles of the Criminal and Judicial Codes are amended and special measures are adopted with regard to drug-related crimes, prevention and rehabilitation" provides for stiff and heavy penalties with a clear technical-judicial approach and without disregarding the social issues involved.

On the subject of penalties, the law amends Article 255 of the Criminal Code, which now provides that anyone who introduces drugs into the national territory or takes drugs out of the country for drug trafficking purposes in other countries will be sentenced to from 8 to 15 years in jail.

The law also provides that anyone who, for illegal purposes, purchases, sells, or transfers drugs for any reason will be sentenced to 5 to 10 years in jail. In addition, anyone found in possession of drugs for illegal purposes will receive a prison sentence of 1 to 3 years and a fine of 50 to 250 days. [as published].

Still on the subject of penalties, the law provides that anyone who for unlawful purposes uses or devotes a place of business to the consumption, sale, or supply of drugs will be sentenced to 5 to 10 years in jail and the place of business will be definitely closed if it was mainly or exclusively devoted to such purpose.

Furthermore, it establishes an equal prison term for the owner, lessee, administrator, or tenant of a real state property or place of business who either uses it or allows it to be used by a third party with the knowledge that such party is using it or will use it for the unlawful manufacturing, storage, sale, cultivation, or abuse of drugs.

The law provides that public servants who take part in the destruction of drugs under this provision and attest to the amount, type, quality, or degree of purity of the destroyed drugs and make false representations or deny or abstain from telling the truth about the amount, type, quality, or degree of purity of the destroyed drugs will be deemed to have committed the crime of "false testimony."

Another important feature of the law is that anyone who, not having taken part in a drug-related crime, helps others conceal the benefits therefrom, thwart investigations by the authorities, escape the authorities' actions, or not serve a prison term will be sentenced to imprisonment of 2 to 8 years as an accessory.

On the subject of rules of procedure, the law on "drug traffic," as it is publicly known, provides that persons arrested for drug-related crimes cannot be released on bail. Nevertheless, bail will be granted to persons arrested for possession of drugs if they can prove that they were intended for personal use.

With regard to "extradition for drug-related crimes," it is established that the Republic of Panama will abide by public treaties to which it is a party and, in the absence of such treaties, may agree, in the case of drug-related crimes, upon request from other states, to turn over to them persons subject to criminal prosecution or [persons already] sentenced in the jurisdiction of those states for such crimes, under the terms of this present law.

This important piece of legislation updates the extradition process and describes in details the cases to which it does not apply.

The law that amends certain articles of the Criminal and Judicial Codes and adopts special measures concerning drug-related crimes, their prevention, and rehabilitation, involves the establishment of a Specialized Secretariat for Drug-Related Crimes [Secretaria Especializada en Delitos Relacionados con Drogas].

On this point, it stressed the creation, within the Attorney General's Office, of the Specialized Secretariat for Drug-Related Crimes to help the Attorney General's Office carry out its investigations on these crimes.

It also calls for the establishment of the National Commission for Study and Prevention of Drug-Related Crimes [Comision Nacional para el Estudio y la Prevencion de los Delitos Relacionados con Drogas], to which it thereafter refers as "the Commission," as a technical-administrative government office that will make studies on mechanisms for control of illegal activities connected with narcotics and the prevention of this type of behavior.

Included among its functions is that of reviewing the picture of drug-related crimes in the nation and recommending programs to prevent them. It must also work in coordination with the National Department of Investigations [DENI] of the National Defense Forces and with the Police Computer Center on Illicit Drugs [Centro Nacional de Informatica Political sobre Drogas Ilicitas], which will be coordinated by the Attorney General's Office.

The law also stresses the coordination with international organizations connected with the prevention of illegal drug-related activities and the joint work required to fight them as well as the coordination with the pertinent national authorities to establish an adequate control over the entry into the national territory of substances that can be used to manufacture illegal drugs.

The Police Computer Center on Illicit Drugs operates within DENI under the coordination of the Attorney General's Office. It will work jointly with the Commission and will perform the following functions:

-- Keep a record of all criminal cases opened in connection with drug-related crimes in our country.

-- Keep a record of all persons found to be involved in drug-related crimes in our country and furnish to the Attorney General's Office the information it requests from the center's records in connection with drug-related crimes.

The law provides that the Special Narcotics Force Against Trafficking [Fuerza Especial Antinarcotrafico] that operates within DENI will work in coordination with the Attorney General's Office [Ministerio Publico] in investigations on drug-related crimes. The Attorney General's Office will also coordinate the operations of this special force at borders, ports, and airports wth those of the General Customs Directorate [Direccion General de Aduanas] of the Finance Ministry so it may enjoy the support of the personnel and installations of that directorate.

Through the Attorney General's Office, the commission will submit a yearly report to the executive and judicial branches on its activities for the prevention and elimination of drug-related crimes.

The law says that the executive branch will take appropriate steps to establish rehabilitation centers to treat drug addicts and persons dependent on pharmaceuticals.

COSTA RICA

ARIAS VIEWS FOREIGN DEBT, U.S. ECONOMIC SUPPORT

PA291546 San Jose Radio Reloj in Spanish 1200 GMT 29 Dec 86

[Text] Costa Rican President Oscar Arias has said that the increasing Costa Rican production depends on several factors including better conditions for refinancing the foreign debt, which is the first and most important factor.

President Arias optimistically said that 1987 will be a favorable year for the Costa Rican economy. He said that in the last trip that the group in charge of refinancing the foreign debt made to San Francisco, Costa Rica succeeded in getting the Bank of America to invest [invertir] and in making it an ally of our country within the creditor-bank committee.

According to President Arias, it is illogical to ask Costa Rica to diversify its production if it is not going to be able to export its products due to the obstacles raised by the United States.

Arias pointed out that there is a serious trade problem because the CACM is increasingly losing its importance, and despite the country's diversification and industrialization we can no longer depend on the CACM. Yet, the Caribbean Basin Initiative is not an option either, because there are problems like those the flower producers had to face recently.

President Arias hopes to sign an agreement with the IMF within the first half of 1987. Arias said that the country's economic success depends on the assistance that international organizations as well as European and Asian countries can give us. Arias thinks that Costa Rica should not depend solely on U.S. economic support.

Arias might travel to Europe sometime within the first half of 1987. Arias added that the objective of his European travel would be to obtain economic solidarity from other friendly governments. Arias, who did not say which European countries he would visit, said that he does not think that we should depend solely on U.S. economic support.

EL SALVADOR

GENERAL BLANDON DISCUSSES ARMY'S ROLE

PA300315 San Salvador EL DIARIO DE HOY in Spanish 29 Dec 86 pp 9, 47

[Text] In an exclusive statement for EL DIARIO DE HOY, General Adolfo Blandon, chief of the Armed Forces joint general staff, today said that the Armed Forces' position is to respect and abide by the Constitution.

This was the high ranking military chief's answer to a question regarding the Armed Forces' position in face of the political, economic, and social situation experienced by the country and the statement made by Major Roberto D'Aubuisson, ARENA [Nationalist Republican Alliance] leader, who has asked the Army to define its position in face of the crisis created by Duarte's government.

Gen Blandon said that it is not up to the Army to describe an attitude as constitutional or unconstitutional. That is a matter to be handled by the Supreme Court of Justice.

"We reiterate our commitment to the people to respect what is established in the Constitution. This is our duty and we will enforce this respect when we find that it has become necessary," Gen Blandon said.

Blandon also said about the proposed exchange of so-called "political prisoners" for kidnapped Colonel Omar Napoleon Avalos, that the family of the kidnapped man is being kept informed of the situation and of the negotiations. Blandon added that the release of the kidnapped person is expected sometime this week or in early January. The military chief said that this will be possible if the kidnappers act with sincerity during the negotiations.

Even though Gen Blandon did not give the exact date for the exchange, it is said that it could occur on 7 January.

It is also said that the government is willing to release 52 terrorists who are serving a jail sentence in exchange for the colonel.

Gen Blandon said that 80 percent of the "United to Rebuild" plan has been completed and that had it not been for the 10 October earthquake, much more would have been done.

Blandon said that it is quite natural for those who oppose the plan to say that it has not been completed, but this is being said only by those who do not wish to see what was done.

The military chief reiterated that one of the main goals of the "United to Rebuild" plan is to help the areas destroyed by terrorism where the people have lost the services that are essential for development.

"We have proof that the plan was operational and that next year we will be more successful," Blandon said. Gen Blandon recalled that on Friday he met with the commanders of the military garrisons throughout the country and they reported on how the plan had been implemented and the way the people had accepted it.

Meanwhile, Blandon said that the Army has an operation underway which would also allow the deployment of troops from one area of the country to another if a terrorist attack should occur during these days. It has been said that the terrorists are planning a surprise attack on a military garrison before the end of the year.

"We must pay attention to these rumors. However, they do not worry us," Blandon stressed.

The chief of the joint general staff denied that there will be changes in the military high command in early January. Rumors regarding this are also being heard.

"I do not think," Gen Blandon said, "that there are any signs of changes in the Armed Forces high command. There may be a general order which will include active duty promotions, from generals down to sub-lieutenants, and routine changes at the executive level within some units. However, no changes are being considered within the Armed Forces high command."

Regarding the Army's views of the recent economic package, Blandon said that all he could say, as chief of the joint general staff, is that "I am aware of the need to provide for an Army of more than 50,000 men, however, how this will be done is matter for the government to handle. The important thing is that money is needed to continue with this campaign."

Gen Blandon mentioned the issue of the "war industry," as some sectors describe the current situation of the country, and said that a large amount of the government's income goes to the Armed Forces. "I do not know how this will be interpreted. However, I could add that the only thing that can help achieve a military advantage and keep the terrorists on the defensive and disbanded without the possibility of achieving a military advantage would be to maintain more than 70 percent of the military units on a permanent offensive. Heavy spending is necessary to do this; it is an investment," Gen Blandon said.

Blandon added that "taxes are not popular. To promote income will be a matter for the government and the political and economic sectors to handle. If this is unconstitutional, then it will be up to the Supreme Court of Justice to rule on the matter."

Regarding D'Aubuisson's call for the people to refrain from paying the taxes as decreed by the government, Blandon said that this must be analyzed by the Supreme Court of Justice. "It is not up to the Army to do this," he added.

"Maj D'Aubuisson is a member of an opposition party. Therefore, he has to be against any government measure," the high ranking military authority added.

FMLN RELEASES STATEMENT FROM KIDNAPPED COLONEL

PA211414 San Salvador Radio Cadena YSKL in Spanish 0020 GMT 20 Dec 86

[Text] Attention, much attention YSKL listeners. The following is a recording received from the FMLN with statements by Colonel Omar Napoleon Avalos, who is in the hands of the guerrillas. The following is the recording:

[Begin recording] [Unidentified speaker] In October 1985, the FMLN captured Col Omar Napoleon Avalos whose rights, as a prisoner of war, have been respected. The Armed Forces, in open violation of human rights, have arrested FMLN wounded and disabled combatants who had been admitted for treatment at civilian hospitals. These combatants were evacuated from the fronts by the International Red Cross. The arrest of kind and disabled people, or people who are receiving medical treatment, is a degrading action that prove to our people and the international community the moral quality of the government. The freedom of the disabled combatants cannot be subject to any kind of negotiation.

Through the mediator, the FMLN presented its official proposal for the release of Col Avalos. This proposal included a list with 54 names of members of the rank and file of several unions, union leaders, members of cooperatives and humanitarian organizations, and the names of 29 residents of Morazan Department who have arrested.

This list only includes the names of a very small number of political prisoners currently in prison. These people are not FMLN combatants. Just like the majority of the political prisoners who are currently in prison, these people were arrested without charges or because they demanded their rights which the current laws supposedly guarantee. No charges were made, proof presented, or trial held prior to the arrest or sentencing of these workers. However, they claim legal reasons and lack of proof to try Msgr Romero's assassin and those responsible for the massacres.

We continue waiting for the government's answer to our proposal. Radio Venceremos now offers a statement by Colonel Omar Napoleon Avalos:

[Second speaker] Today, Tuesday, 16 December 1986 -- it is a year and 51 days since I became a prisoner of the FMLN. My health is good; however, there are times when I cannot avoid becoming depressed because of my long captivity. The treatment I have received from my captors has been good.

Through the local media I learned that during some of our Armed Forces operations one of the goals has been to rescue me. I even learned that some companeros said that they had seen me. Regarding this I wish to say that I feel that it will be very difficult to carry out a successful rescue. I also feel that I am being endangered by such actions.

Meanwhile, the gentlemen of the FMLN have informed me that our Armed Forces arrested wounded and disabled members of the guerrillas who had been admitted to civilian hospitals and who were evacuated from the war fronts by the CICR [International Red Cross Committee]. According to what I have been told, these actions hinder the possibility of a favorable resolution of my case.

I was very pleased with the visits of Msgr Arturo Rivera y Damas and International Red Cross Committee delegates. This built hope for me. I received the letters from my dear children and wife and the letters from my beloved mother. However, I have learned that -- I do not know if this was an order issued by the high command or by my friend, Colonel Vargas -- that my letters are being stopped and that the visits will not continue.

Once again I wish to use this opportunity to reaffirm my loyalty to our Armed Forces. I still have hopes that there will be a favorable resolution of my case. Christmas is drawing near and it is a good opportunity to appear to the feelings of the two parties so that agreements that will lead to my freedom will be reached. It seems that my freedom depends on the answer from the government and Armed Forces to a proposal requesting the release of non-combatants who are currently in prison.

After hearing the president's recent statements regarding my case, I got the bad feeling that there is not much interest or flexibility in reaching a prompt agreement regarding my freedom.

In the name of our friendship, I wish to remind you, Mr President, that you are also a father. You also had a daughter facing the same situation I am, and you know how much you suffered because of her. My family is also suffering because I am not with them.

In the case of Ines Guadalupe, it took 40 days to make all the necessary arrangements. You even released strategic FMLN people. In my case, I understand that the FMLN is asking for the release of non-combatants. They are asking for the release of union leaders, workers, and civilians.

I call on my brothers in arms and the president of the Republic to do what is necessary so that my family, which is suffering so much, can have me back home as soon as possible.

The FMLN gentlemen have also advised me that they are willing to allow my children, wife, and mother to visit me on the occasion of the new year. I am, hereby, asking the International Red Cross Committee to help make this visit possible. At the same time I ask the government to offer every facility for my family to visit me.

To my beloved children I send my blessing; to my wife and mother all my love and my hopes that we shall soon be together again.

El Salvador, 16 December 1986 [end recording]

This was the recording received from the FMLN with a statement by Colonel Omar Napoleon Avalos.

GUATEMALA

FOREIGN MINISTER ANNOUNCES TIES RENEWED WITH UK

PA291957 Buenos Aires REUTER in Spanish 1929 GMT 29 Dec 86

[Text] Guatemala City, 29 Dec (REUTER) -- Guatemalan Foreign Minister Mario Quinonez Amezquita today officially announced the renewal of diplomatic relations with Great Britain after a break of more than 20 years.

Guatemala and London broke relations as a result of the dispute over the territory of Belize, to which Great Britain granted independence in September 1981 and which Guatemala does not recognize.

Official sources said that with the renewal of relations, which were broken on 24 July 1963, London will probably immediately request approval for its ambassador, while Guatemala must make the necessary budget allocations before deciding on who to appoint as its representative in Great Britain.

President Vinicio Cerezo and Julio Santos, his official spokesman, announced last week that the resumption of diplomatic relations with London was a fact "from this day."

The final announcement was made by the foreign minister, who said that a joint communique was issued in London and Guatemala City today.

The communique refers to Guatemala's request that London use its good offices to achieve an honorable solution to Guatemala's territorial claim.

HONDURAS

AZCONA VIEWS RELATIONS WITH NICARAGUA, BORDER

PA291504 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 29 Dec 86

[Report by Tomas Arturo Chi Medina from Radio San Pedro]

[Excerpts] Here is the news, using a link between Radio San Pedro of the Audio Video System, in San Pedro Sula, and Radio America, now more informative than ever before.

President Jose Azcona Hoyo said during a news conference in La Ceiba that he will respect the ruling of Attorney General Ruben Cepeda in the case of the sale and purchase of medical equipment for the Central Coyoles Hospital. He said this during a visit he conducted over the weekend in La Ceiba to be a witness at his nece's wedding. [passage omitted]

He confirmed that he will not remove any of his ministers from office because various work plans need to be complemented. He said that if there are any changes, these will come at the end of 1987.

President Jose Azcona Hoyo said that he fully agrees with the remarks that Armed Forces Chief General Humberto Regalado Hernandez made to THE NEW YORK TIMES to the effect that if the Sandinists attack Honduras again, like they did several weeks ago, the army will immediately respond to defend national sovereignty.

With regard to the purchase of sophisticated aircraft, which has been discussed over the past several months, the president said there is no obstacle in the way of or pressure in the decision on what kind of plane to purchase. That is up to the Honduran Army to decide in accordance with its national defense and security requirements. he explained that the purchase will be made with the military assistance the United States gives Honduras, which in 1986 totalled approximately $80 million.

Azcona questioned a remark reportedly made by National Congress President Carlos Orbin Montoya that a confrontation between Honduras and Nicaragua is imminent. I do not believe that. Upon reading the text of the item, I found that it did not exactly reflect what the headline stated. There has been a danger of war, but I do not think there is war between Nicaragua and Honduras. It is not in Nicaragua's best interest to fight a war against our country because we have a strong ally that is very near, while Nicaragua's ally is very far away. I do not believe Nicaragua will openly attack Honduras. Also, and we have said this many times, we have no interest in attacking that country. We do not want to count the dead, widows, orphans, and disabled that would result from an open conflict. That is why I rule out the possibility of war with Nicaragua.

If that regime consolidates its power Honduras will gear itself up to protect that border in such a way that no subversive groups and guerrillas will be able to enter here. That would be very dangerous. Above all, that border must be protected to inspire credibility and confidence and offer guarantees to investors. Unless they protect their borders as if with steel belts, countries that share borders with totalitarian states inspire no confidence in investors because they fear that that doctrine and its repercussions will spread to the country where they have investnemts.

Asked when the contras will leave Honduras, the president said that he believes that all the contras are over there, not in Honduras.

On Honduras' border surveillance efforts, he said that that is not an easy task. At least 16 battalions would be needed; our entire Army would have to be at the border, and many millions that we do not have would need to be spent in order to protect that border. [passage omitted]

AZCONA SEES NO CHANGES IN CABINET POSITIONS

PA241744 Tegucigalpa Cadena Audio Video in Spanish 1130 GMT 24 Dec 86

[Report by David Romero]

[Text] President Jose Azcona Hoyo has decided to continue working with all his ministers and assistants next year.

Radio America managed to confirm yesterday at the presidency with a source close to the president that he has decided not to remove any of the ministers or government advisers from their posts.

Several organized sectors have publicly advised the president to restructure the current cabinet. Some unions, such as the National Union of Peasants [UNC] have been threatened to pressure the government. UNC Secretary General Inocencio Peralta has publicly threatened to occupy government installations to pressure President Azcona into making cabinet changes.

Among the ministers who have been questioned by the labor and peasant organizations are Public Education Minister Elisa Valle de Martinez Pabeti; Juan Fernando Lopez, minister of communications, public works, and transportation; Economy and Commerce Minister Reginaldo Patin; and Public Health Minister Ruben Villeda Bermudez.

Jose Efrain Bu Giron, minister of finance and public credit, faces a similar situation. Followers of Carlos Orbin Montoya have requested his removal so that a member of their own faction can be appointed minister. They have recommended Mario Pineda.

Some directors of decentralized entities have also been mentioned, such as Mario Espinal, director of the National Agrarian Institute; the COHDEFOR [Honduran Corporation of Forest Development] manager [name not mentioned --]; and the CONSUPLANE [Higher Council of Economic Planning] executive secretary [Francisco Figueroa Ziniga].

The situation of Culture and Tourism Minister Arturo Rendon Pineda is unclear, as he recently made a public statement to the effect that he would submit his irrevocable resignation from that ministry to participate in political activities.

William Hall Rivera, the president's private secretary, is in a similar situation, as he currently heads one of the movements that is campaigning for the leadership of the Central Executive Council of the Liberal Party of Honduras.

It is clear however that the president has not received any irrevocable resignations from any of his colleagues. They can be at ease, because Radio America has confirmed that President Azcona will not remove any of his aides from one's post.

On several occasions, President Azcona has said that he will not accept any pressures from organized groups demanding changes of ministers or of other government officials. The president once said that it is not possible to remove ministers each time a sector demands a change, because we do not have a factory of ministers in Honduras.

The current ministers can therefore rest assured during the Christmas holidays, as no one will be removed from his post, President Azconz told several of his closest aides.

NICARAGUAN EMBASSY PUBLISHES ORTEGA LETTER

PA300033 San Pedro Sula TIEMPO in Spanish 27 December 86 p 3

[Letter from Nicaraguan President Daniel Ortega to Honduran President Jose Azcona, dated in Managua on 25 December; issued on 26 December in the form of a paid press release by the Nicaraguan Embassy in Tegucigalpa]

[Text] His Excellency
Jose Azcona Hoyo
President of the Republic of Honduras
Tegucigalpa
Dear Mr President:

The most recent developments at the border zone between Honduras and Nicaragua, which were caused by armed attacks staged by mercenary groups from Honduran territory, demonstrate the urgent need to continue efforts to find a peaceful and just solution to this situation, a solution which will allow the restoration of peace and tranquillity at our common border.

Notwithstanding our knowledge of your remarks regarding Nicaragua's proposal to jointly request the establishment of a UN inspection commission, we also have knowledge of the growing rejection by the Honduran people of the presence and activities of the counterrevolution and of the statements by Honduran congressmen and other leading Honduran figures -- which were widely disseminated by the Honduran media -- on your government's efforts before the U.S. Government to have the mercenary groups abandon Honduran territory.

Nicaragua understands that there are no disagreements or conflicts between our countries and that the tensions that exist have their root in the illegal policy of intervention and force implemented by the Reagan administration against Nicaragua. Guided by this certainty, and as another demonstration of my government's desire to struggle for an effective and lasting solution to the exisiting tensions, I propose to you, dear Mr President, the following actions which my government is willing to undertake with the cooperation of the Honduran Government:

1. Nicaragua will welcome, with full legal guarantees, the Nicaraguan citizens involved in illegal activities who voluntarily opt to take advantage of the amnesty law, following the example of 6,000 Nicaraguans who have already taken shelter under the said law. After rejoining their families such people must engage in honest work.

2. In conjunction with Honduras, Nicaragua would make efforts with third countries which might eventually receive the Nicaraguan citizens who do not wish to take advantage of the amnesty law.

3. Cooperating with Honduras and UNHCR [UN High Commissioner for Refugees], Nicaragua would welcome, without restrictions of any kind, the Nicaraguan refugees who voluntarily wish to return and would provide for their transfer if the transfer is not covered by UNHCR. These refugees would enjoy the same guarantees in regard to their future life as are already being enjoyed by the over 10,300 repatriates already in Nicaragua.

My government feels that these measures will make it possible to ease the tensions at the border as well as the serious problem faced by Honduras as a result of the presence of the counterrevolutionary groups and the burden posed by the refugees. This would also solve the humanitarian problem of those involved in counterrevolutionary activities, giving them the opportunity to return to their country and to work for peace.

I am certain that the overwhelming majority of world nations would welcome such joint actions because of all benefits they would bring to our peoples and to Central America. The specific aspects of Nicaragua's proposal may be reviewed by our foreign ministers at an early date in December because of the urgent need to solve the situation at the border.

I am relaying Nicaragua's proposal to the member countries of the Contadora and Support Groups as well as to the UN secretary general, asking them for their cooperation in implementing it.

With the confidence that you will appreciate this new effort by Nicaragua because our foremost obligation as heads of state is to work for peace and the wellbeing of Hondurans and Nicaraguans, I send you a cordial greeting.

Fraternally,
Daniel Ortega
Tegucigalpa, C.D. [Central District], 26 December 1986.

NICARAGUA

CONTRAS ATTACK COOPERATIVE, KILL FIVE CIVILIANS

PA291324 Managua Domestic Service in Spanish 1200 GMT 29 Dec 86

[Report by Luis Cabrera]

[Text] At 0100 on Saturday, 27 December, counterrevolutionary groups attacked the Isidro Sotelo Cooperative in Cana Brava, located 3 km northwest of Villa Revolucion and 24 km northeast of Camoapa, Boaco Department, killing five civilians and wounding five others. Among those killed were two 13-year-old and 9-year-old boys.

The contras destroyed the fram, which was completely burnt.

The names of th civilians killed were Ernesto Escorcia Gonzalez, Luisa Urbina, Ventura Rodriguez, Abelardo Picado, 13, and Bertilda Fernandez, 9. Those wounded were Petrona Pilar Lopz, Gilda Lopez Valle, Juan Hurtado, Reina Picado, and Maria Apolonia Amador. In addition, a civilian by the name of Natividad Escorcia was kidnapped.

According to Defense Ministry reports, this criminal action by the contras occurred at 0100 on Saturday, 27 December, when mercenaries attacked the Isidro Sotelo Cooperative in Cana Brava, located 3 km northwest of Villa Revolucion and 24 km northeast of Camoapa, Boaco Department.

According to Defense Ministry sources, EPS troops are pursuing the counterrevolutionary groups that once again avoid clashes with the EPS and attack the civilian population.

CPDH CITES INCREASE IN HUMAN RIGHTS VIOLATIONS

PA300341 Paris AFP in Spanish 0112 GMT 30 Dec 86

[Text] Managua, 29 Dec. (AFP) -- The Nicaraguan Permanent Human Rights Commission (CPDH) today charged that cases of "torture, murder, disappearance, and political and religious persecution" increased in this Central American nation during 1986.

In a letter addressed to President Daniel Ortega, the CPDH, which is made up of opposition religious people and politicians, pointed out that a monthly average of 140 human rights violations, which mainly affected peasants in the countryside, were committed in 1986.

According to the charge, arrests carried out by state security (secret police) have intensified since October 1985 when the Sandinist Government broadened the state of emergency law, which had suspended individual guarantees.

The CPDH pointed out that peasants are held for months in state security jails before they are tried by Anti-Somozist People's Tribunals (TPA) "in which they are irrevocably condemned without any other evidence than their own 'confessions' obtained through psychological and physical torture."

In addition, that group denounced "systematic attacks against the Catholic Church," and recalled the expulsion from the country of two high-ranking prelates, the closure of Radio Catolica on 1 January 1986 and the closure of newspaper LA PRENSA in July.

The group also pointed out that such actions have also provoked the exodus of "hundreds of thousands of Nicaraguans to other countries" and the political polarization of the country's inhabitants.

In view of this situation, the CPDH asked President Ortega to immediately lift the national state of emergency, establish an amnesty for all those charged with political crimes, and abolish all special tribunals.

The CPDH also demanded the reopening of newspaper LA PRENSA and Radio Catolica as well as the return to the country of Monsignor Pablo Antonio Vega, vice president of the Episcopal Conference, and Monsignor Bismarck Carballo, spokesman of Managua's archepiscopal curia.

Finally, the CPDH asked the Sandinist Government to acknowledge the Inter-American Human Rights Court, whose convention was ratified by the revolutionary government in September 1979, as an entity with obliging authority [competencia obligatoria] and full legality.

INTERIOR MINISTRY INVESTIGATES FERRY ACCIDENT

FL291342 Havana Tele-Rebelde Network in Spanish 1300 GMT 29 Dec 86

[Text] [Words indistinct] Information provided to our editorial staff on the accident between the two comet ferries [hidrodeslizadores cometas]. The event occurred at 1825, 15 miles from Batabano when Comet No Six struck the prow of Comet No Eight. Comet No Six carried 102 passengers and 7 crew members. Comet No Eight carried 7 crew members and 109 passengers.

The cause of the accident is being investigated by the Interior Ministry and the revolutionary navy.

We will continue reporting information on this event during Revista de la Manana [morning magazine].

Castro Reports on Accident

FL291508 Havana Tele-Rebelde Network in Spanish 1400 GMT 29 Dec 86

[Text] Two Comet ships [lanchas cometa], which run from Nueva Gerona to Batabano, crashed 15 miles from the coast of Surgidero causing the death of one person and injuring 54.

The deceased's name is Miguel Lopez Coban from Maisi, Guantanamo Province. He was 36 years old and worked at the Isle of Youth ECOI [Engineering Projects Construction Enterprise] No 4.

The injured, who have not yet been identified, have been hospitalized in different centers in the capital such as the Naval Hospital in Habana del Este and Pedro Voraz Children's Hospital in Plaza de la Revolucion.

The accident occurred when the prow of Comet No Six struck the stern [as heard] of Comet No Eight at a speed of 30 knots, which approximately equals 60 km per hour. Comet No Six carried 102 passengers and 7 crew members and Comet No Eight carried 109 passengers and 7 crew members. Currently, the Interior Ministry and the revolutionary Navy are investigating the cause of the accident.

During the night and this morning, Commander in Chief Fidel Castro Ruz stayed at the Surgidero dock in Batabano, expressed interest in the condition of the injured, and gave instructions so that all passengers could be given prompt attention. At the site, the commander in chief spoke to the press on some details of the accident.

[Castro] As I said, there are about, more or less 10-20, seriously [injured].

When the news was first announced, it was reported that two ships crashed. There was no information about any ship. There could be dozens of victims in a night collision. There could have been dozens of victims.

[Reporter] Commander, was the mobilization rapid?

[Castro] There were dozens of ambulances. Dozens of ambulances came.

[Reporter] And rescue [teams]?

[Castro] Yes. Yes, they came from Havana Province, Havana City. All the hospitals were prepared. They were prepared for a large disaster.

There was also concern about people drowning or disappearing at sea during the night, all those types of things, unfortunately. It was much less than expected and we hope that those rescued can be saved because they received rapid attention.

Everyone mobilized quickly. Batabano and [name indistinct] they sent help, doctors. They sent doctors. A doctor came with them from the hospital.

A few escaped when the first ship [words indistinct].

The injured were evacuated from there. Then they quickly rescued all the passengers except the two that remained trapped there. A team then departed from Isle of Youth on a rapid Comet to release those who were trapped in the bottom of the boat. I think that in the future they will be attended to quickly because, with the information we have, it took [words indistinct] minute.

[Reporter] Will the causes also be identified?

[Castro] To identify the causes, it must be investigated. [words indistinct]

[Reporter] Thank you.

USSR INVITES TU FEDERATION TO CONGRESS

FL262200 Paramaribo International Service in English 1730 GMT 26 Dec 86

[Text] The board of the C-47 Trade Union Federation has been invited to attend the 80th congress of the trade union movement in the USSR by the end of February next year. The congress will make an evaluation of the past 5 years and will make an action program for the next 5 years. In his letter of invitation, the president of the union in the USSR expressed the hope that Chairman Fred Derby will participate personally. He said this will contribute to the realization of total cooperation between the union in Suriname and his country.

NEW REBEL ARMS CAUSE ARMY STATE OF ALERT

FL260025 Paramaribo International Service in English 1730 GMT 25 Dec 86

[Text] Yesterday the National Army was put on a state of alert in fear of the recent arms purchase by the members of the Brunswijk gang. The Surinamese News Agency has reported that half the weapons were bought in the Brazilian city of (Vilan) and are supposed to be on their way to Cayenne (?over) the mouth of the Maroni River on a Brazilian schooner. The purchase of the arms was made by wanted criminal Edgard Iancuso and former soldier Surinde Sumaru who paid with gold.

Yesterday the National Army announced that the population should reckon with the situation since it will use all its power available to crush any armed aggression from outside.

Yesterday, the three Surinamese pilots Van Amfont, Iles, and Adof arrived at the Sorhenhof airstrip on an (FLN) Twin Otter aircraft after being held in captivity for more than 2 months by members of the Brunswijk gang. The Surinamese consulate in Cayenne took care of the pilots until their return to Suriname. On arrival the three pilots were immediately questioned by the military police. They were unavailable for comments to the press.

FRENCH WARN BRUNSWIJK AS MINISTER VISITS

FL291957 Paramaribo International Service in English 1730 GMT 29 Dec 86

[Text] On Saturday last it was announced here that French minister of foreign affairs made a quick visit to the camps in French Guiana on December 20th where approximately 5,000 evacuees from Suriname are staying. Minister Bernard Pons [name as heard] said that he would report to Prime Minister Chirac that the people are being taken care of in a satisfactory manner. Pons said that his country does not have plans for an invasion of Suriname. According to him, French Guiana is forbidden territory for terrorists.

Another source announced that Brunswijk was warned by the French that, if he was arrested by the French authorities, he would be sent to Suriname.

FBIS DAILY REPORT

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MINISTRY DENIES 'UNDER COUNTER' ARMS SALES

PY202107 Buenos Aires BUENOS AIRES HERALD in English 20 Dec 86 p 1

[Text] (NA and own sources) The government's decision to reactivate Fabricaciones Militares has brought Argentine weapons exports under the spotlight, with unnamed sources claiming that 20 to 25 percent of light arms production is sold to different countries indirectly, through third countries or fronts under a so-called "triangulation" system.

Asked by the HERALD to confirm or deny this information, Defence Ministry sources said that the information was incorrect, and strongly denied Argentina was selling weapons under the counter.

According to NOTICIAS ARGENTINAS, Defence Minister Horacio Jaunarena on Monday will announce several measures aimed at reactivating Fabricaciones Militares, which include calling a public tender for the privatization of the petrochemical companies currently operating under that ministry, and placing Argentine light arms on foreign markets. This plan is supported by the Armed Forces which see the possibility of obtaining more financial resources.

The information from unnamed sources also stated that the Defence and Foreign Relations Ministries had come to an agreement whereby arms will "continue to be taken out of the country under the counter," through the usual "front and triangulation" systems.

This agreement also established that the "products" to be exported should be defensive weapons, which cannot be considered as a destabilizing military factor in the so-called "hot zones" of the globe, the sources indicated.

DEPUTIES PASS FISHING PACTS WITH USSR, BULGARIA

PY241724 Buenos Aires DYN in Spanish 0325 GMT 24 Dec 86

[Text] Buenos Aires, 23 Dec (DYN) -- The Chamber of Deputies tonight passed into law the fishing agreements that have been signed between Argentina and the Soviet Union and Bulgaria. These countries are now authorized to fish in Argentine waters.

These agreements provoked a reaction from the British Government, which declared an economic protection zone around the Malvinas Islands to prevent vessels with Argentine authorization from fishing in that area.

The Radical bloc voted in favor of the agreements, while the Center Democratic Union, the Developmentalists, the Progressive Democrats and the Renewal Party voted against the agreements.

TROCCOLI INVITES PARAGUAY TO JOIN 'COMMON MARKET'

PY241647 Madrid EFE in Spanish 2104 GMT 23 Dec 86

[Text] Buenos Aires, 22 Dec (EFE) -- Argentine Interior Minister Antonio Troccoli today said that Argentina has invited Paraguay to join the economic integration process of the American Southern Cone, a process in which Brazil and Uruguay are also participating.

The Argentine invitation was made during yesterday's meeting between Troccoli and Paraguayan Interior Minister Sabino Montanaro, with whom he spoke for almost 1 hour.

The two interior ministers yesterday dedicated in Posadas, northeastern Argentina, a bridge to link Posadas with the city of Encarnacion, in Paraguay.

Troccoli today told the press that the Argentine relations with Paraguay "are developing within the principle of nonintervention in the domestic affairs of other countries."

Asked about the domestic situation currently prevailing in Paraguay, Troccoli stressed that "we must accept the facts as they are and let every society solve its own problems."

Troccoli said: "We cannot hinder the economic integration process being promoted by Argentina, Brazil, and Uruguay. Thus, we have invited Paraguay to join this enterprise of marching together."

Argentine President Raul Alfonsin and Brazilian President Jose Sarney have, in the past few months, signed 20 agreements on bilateral economic integration in separate meetings held in Buenos Aires and Brasilia.

Uruguay will soon participate in these agreements, which are described as the first step toward the creation of a Latin American common market.

PARAGUAY REPORTEDLY JAMS FORMOSA RADIO

PY241218 Buenos Aires TELAM in Spanish 1150 GMT 24 Dec 86

[Text] Buenos Aires, 24 Dec (TELAM) -- LRA-8 Formosa National Radio was jammed late last night as it was airing a program on Radio Nanduti, a Paraguayan station in opposition to the government of General Alfredo Stroessner. The jamming presumably originated in Paraguay. This was reported to TELAM by LRA-1 Buenos Aires Nacional Radio.

Nestor Sclauzero and Enrique Gliezer, anchormen of the LOS PROTAGONISTAS program, which is aired over a network that includes LRA-1 Buenos Aires Radio Nacional, LRA-8 Formosa Radio Nacional, LRA-12 Santo Tome (Corrientes) Radio Nacional, and LRA-16 Puerto Iguazu (Misiones) Radio Nacional, reported that the program was jammed for 42 minutes, from 0000 to 0042.

The jamming reached its peak during a report on Radio Nanduti director Humberto Rubin by Argentine journalist Becker Casaballe. The journalists reported that this forced LRA-8 Formosa National Radio to end the retransmission of the program.

DEFENSE MINISTRY CONSIDERS END TO DRAFT

PY272023 Buenos Aires BUENOS AIRES HERALD in English 27 Dec 86 P 11

[Text] (NA-DYN) Upper and Lower House defence committees chairmen Antonio Berhongaray (La Pampa) and Balbino Zubiri (Buenos Aires) yesterday confirmed that the defence ministry carried out an "in depth study" into the possibility of replacing compulsory military service with the drafting of volunteer recruits.

Senator Berhongaray expressed his "complete agreement" with the abolishment of compulsory military service and the induction of volunteer recruits who would sign a three-year contract and be paid as professional soldiers "as a way to overcome the lack of efficiency of Argentina's Armed Forces as compared to those of other countries."

The senator explained that this comparative inefficiency was due to the yearly renewal of recruits which made their proper training impossible. He added that there would be no financial difficulties in implementing the new system, because the salaries to be paid to the volunteers "do not make much of a difference, as there are high costs now too."

Unlike Berhongaray, Deputy Zubiri found the payment of salaries required by the new system "an inconvenience," although he agreed with the need to professionalize the Armed Forces. The deputy also considered that in some sectors the change could not be undertaken abruptly as it would leave key defence areas unprotected.

The new system, which could be announced by Defence Minister Jose Horacio Jaunarena before the end of the year, would reportedly be put into effect gradually beginning with the Navy in 1987, then the Air Force in 1988 and finally the Army in 1989.

A source close to the high commands said that the Armed Forces were analyzing the possibility of hiring specialized personnel to replace non-commissioned officers who were driven out by low salaries, especially in the Navy, but not combat soldiers to take the place of the recruits who annually enter the forces on their compulsory military service.

UBALDINI SAYS ALFONSIN 'ONLY VALID SPOKESMAN'

PY250222 Buenos Aires BUENOS AIRES HERALD in English 24 Dec 86 p 1

[Text] (DYN) -- General Confederation of Labour (CGT) Secretary General Saul Ubaldini yesterday said he had "nothing more to discuss" with Economy Minister Juan Sourrouille and pointed to president Raul Alfonsin as the only valid spokesman for the Radical administration to negotiate wage policy in the future.

The CGT directive council released a statement in which it regrets not being able to "communicate a message of happiness" because "hundreds of thousands of Argentine homes live under the burden of misery and despondency."

BRIEFS

GROSS DOMESTIC PRODUCT -- The gross domestic product (GDP) rose 11.6 percent during the third quarter of 1986, as compared to the same period last year. The cumulative GDP for the first nine months of this year registered a 6.1 percent hike, over the same period of 1985. [Text] [Buenos Aires BUENOS AIRES HERALD in English 23 Dec 86 p 3 PY]

SARNEY REPORTEDLY CANCELS TOUR OF 5 COUNTRIES

PY301320 Madrid EFE in Spanish 1135 GMT 30 Dec 86

[Text] Brasilia, 30 Dec (EFE) -- According to press reports today published in Brasilia, President Jose Sarney has indefinitely postponed the tour he was to have made through five countries during the first half of next year, owing to the internal economic situation and the sessions of the national Constituent Assembly.

According to the Foreign Ministry, President Sarney was to have visited France, FRG, USSR, India and China during the first half of next year.

The Brasilia newspapers have indicated that the trip was to take place before next May but has been suspended because of the internal situation and the upcoming debates of the national Constituent Assembly which is drawing up the seventh national constitution.

President Sarney said that he intends to follow closely the Constituent Assembly sessions and the newspapers indicate that Sarney believes that it will not be politically favorable to him to be absent from the country at that time.

The last time Sarney left the country was last September when he traveled to the United States to meet with Ronald Reagan.

GOVERNMENT REBUFFS SURINAME'S AID REQUESTS

PY260319 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Dec 86 p 5

[Text] Paramaribo -- Henricus Heidweiller, the head of the Surinamese presidential household [title as published] stated in Paramaribo last night that his government has Brazil's support for its current process of democratization: "President Sarney has made it clear that he opposes any attempt at destabilizing Commander Desi Bouterse's administration." Heidweiller made this statement upon returning from a 10-day visit he paid to Brazil and Venezuela, which apparently also extended its support to the Surinamese Government. For the last 5 months Bouterse has been under attack from a guerrilla group seeking to topple him. This group is led by Ronnie Brunswijck, a former bodyguard of the President.

Meanwhile, in Brasilia, acting Itamaraty spokesman Norton Rapesta indicated that "the Brazilian Government has always opposed movements directed at destabilizing legally established governments." Rapesta said he was not aware of any statement made by Heidweiller, adding that the stance against destabilization of governments in other countries "is a traditional position of Brazilian diplomacy." Commander Desi Bouterse, who seized power in 1980 through a coup d'etat, had sent Heidweiller as special envoy to Brasilia and Caracas to obtain the support of the two countries.

During his stay in Brazil, Heidweiller did not get what he wanted at the "informal" talks he held in Brasilia. Thus, Suriname will not receive any more troops or any other Brazilian military assistance other than what it already has -- namely, armored vehicles, light weapons, ammunition, and field and communications equipment. Bouterse's special envoy did not even get an open line of credit to link small rural towns with Paramaribo by telephone. The most that Suriname can hope for is finished products for immediate installation in the country, but certainly not money.

Heidweiller also took advantage of his visit to refute charges that have recently been hurled at the Bouterse government. He denied any agreement with Libya and the claim that his country had received $100 million from Libyan leader Colonel Mu'ammar al-Qadhdhafi. However, Brazilian military sources have definitely stated that there are Libyan advisers in Suriname's capital, helping the government to cope with the guerrillas.

Heidweiller also said that the Surinamese Army has never used violence against the opponents of the regime and denied that there have been massacres of civilians. "These reports are nothing but a big lie that political groups in the Netherlands have managed to disseminate through the international news media," Heidweiller charged. As a colony, Suriname had belonged to the Netherlands. However, the U.S. Department of State claims that the reports are true and has reported that Surinamese Government troops have been murdering civilians in their struggle against the guerrillas. The Department of State added that this has become so frequent that it has prompted a mass flight of more than 5,000 people to French Guyana.

SARNEY USES 'WAR GAMES' COMPUTER FOR FIRST TIME

PY241536 Rio de Janeiro O GLOBO in Portuguese 21 Dec 86 p 13

[Text] Brasilia -- Brazil was involved in a total war during the last week in November. More than 500,000 men, 200 airplanes, and 80 warships and submarines were used to stop invasions all along Brazil's borders. There were fierce combats with dead and injured men, and winners and losers.

This war, however, did not affect the country at all. A pedestrian who happened to pass in front of the Armed Forces chief of staff building, where the command fighting the different foreign threats to Brazil was headquartered, would not have realized that anything at all was happening.

This is because the war was a game in which men "were fighting" a Univax computer with a very precise and clear screen, which played the role of the enemy. Purchased for $250,000 early last year, this computer is the first piece of equipment in a war room for the president of the Republic.

Fed by information from 2,000 channels of the Brasilsat, the Univax is capable of precisely displaying a strategic situation involving ground, naval, and Air Force troops, and the resupply systems to keep them in action.

Based on this information, decisions are made easily and with great precision. Results and consequences of the decisions are assessed. This system is known in military jargon as C3I, an acronym that means communication, control, command and information.

This system is in its preliminary stage, following an entire year of tests with the softwares (computer programs) employed. Several difficulties have emerged in trying to establish the "war games" project begun by Admiral Jose Maria do Amaral and completed by General Paulo Campos Paiva.

Similar systems for a simulated naval combat already existed, but not for the simulation of fighting on land. Because the EMFA was hoping for something to cover all aspects of a war, it mobilized the resources of the Army Informatics Center.

Special software for ground fighting, the only such software in existence, has been developed. It is capable of displaying on a highly precise screen all details of a given terrain. Thus, the "commanders" can distribute their troops, portecting them in the mountains, forests, valleys, and rivers.

At the same time, on another terminal, the effects of the battle can be monitored in detail. Segments less than 100 meters long of the battle front, which can be hundreds of thousands of kilometres long, can be examined. With only a few keystrokes, the computer can focus closely or at a distance from any point of action.

Meanwhile, other regions can be observed at other terminals. Fighter planes can attack enemy bomber planes, ships can repel submarines and air attacks, marines can disembark on unprotected beaches.

The EMFA's C3I is considered to be secret, and further details of its equipment have not been revealed. It is known that more than 20 terminals can be operated simultaneously, providing an overall or sectional picture of the situation. The few details that leaked out about the software indicate that three programs prepared by the informatics centers of the Navy, Army, and Air Force have been integrated into a single program.

Despite the fact that it is being used already, the "war games" project is still not finished. It will be improved gradually according to requirements. In all, this is the first operational C3I in Latin America, and one of the few outside Europe and North America.

There is a possibility of installing another war room similar to that of EMFA in Planalto Palace. The installation of this "war room," which will be part of the whole system as originally planned, will cost $100,000. Closed optic fiber telephone circuits will transmit thousands of bits of data per second. Computers and terminals in the president's "war room" will receive simultaneous signals from the Informatics Centers of the Army, Air Defense Integrated Center, Air Traffic Control Center, and Navy Decision Center, in Brasilia and Rio de Janeiro.

This plan, which seems like a plot from a science fiction film, seems to have won a powerful ally. President Sarney was present at the EMFA to follow closely the "battles" on the computer. After he left, he made a long comment about what he saw, clearly showing his enthusiasm for the professionalism and ability shown during the battles." However, he did not reveal who won the first "war" he commanded.

BRIEFS

EMBRAER SHOWS NEW AIRPLANES -- Embraer, the Brazilian Aeronautics Company, has delivered its first passenger model, the Brasilia, to the Aeronautics Ministry. This modern airplane carries 30 passengers, employing 27 computers to command it. Embraer has sold 89 Brasilia planes so far in the United States, Europe, and Africa, and expects to sell 100 more in 1987. Embraer also gave a demonstration flight of the first Brazilian-Italian fighter jet, the AMX, which promises to be the most modern attack plane in the world. The AMX demonstrated was impeccable. [Summary] [Rio de Janeiro Rede Globo Television in Portuguese 0125 GMT 23 Dec 86 PY]

SALDIVAR ON U.S. RIGHTS STAND, REGIONAL ISSUES

PY310140 Asuncion ULTIMA HORA in Spanish 30 Dec 86 p 11

[Text] During a news conference at the Foreign Ministry building, Paraguayan Foreign Minister Carlos Augusto Saldivar yesterday discussed several aspects of the government's foreign policy. Concerning the human rights situation and comments made by U.S. Assistant Secretary for Inter-American Affairs Elliot Abrams that the human rights situation "in Paraguay has become worse," Dr Saldivar stated that "here we have a democratic system, a government that emerged from the people's decision at the ballot boxes, and a government that respects human rights. The three branches of government are operating. We are concerned about the people's health and the basic rights of the peasants. We are seeking to permit everyone to possess his own tract of land, as provided for by the Constitution and in accordance with the Colorado Party's postulates." The minister added: "We are supporting the Paraguayan people. We are working, and we believe that there is no deficit concerning human rights. Some things may have happened in the past, and they are the basis of Mr Abrams' opinion. This opinion is his personal opinion, and it does not affect the confidence that the Paraguayan people have in President Stroessner."

A Rendezvous With Sarney [subhead]

Moving on to another issue, a possible Stroessner-Sarney meeting at Itaipu, the foreign minister stated that "the opening of two additional turbines at Itaipu is being scheduled. This event is very important. One must think that two turbines represent a much greater energy output than that of many other dams in the world. Therefore, this magnitude must be stressed. Obviously, our two chief executives will meet because this event requres their presence." He did not mention the date of the meeting, saying only that "talks are being held and schedules are being arranged. I believe that very soon the exact date will be set by the two foreign ministries."

At another point during the impromptu news conference, the foreign minister addressed the problems encountered with Paraguayan meat exports to Brazil and Peru. He said: "There was no suspensions with Brazil; just some regulations that were established, to which our exporters must conform, of course. However, this problem is already being solved. The issue being discussed with Peru is how to make transportation costs commensurate with the requirements of the Peruvian consumers. This is being discussed so that, without detriment to our exporters, the Peruvian people may consume Paraguayan meat at reasonable prices."

Pilcomayo: "Nothing Has Been Detected..." [subhead]

Dr Saldivar was told that, according to some experts, Bolivian dams are causing a reduction in the water level of the Pilcomayo River. The foreign minister replied that "the technical commissions have been unable to detect anything in this regard, and the water level of the Pilcomayo river remains normal. It is a river with ups and downs, depending not only on rainfall but also on the Andean thaws. It is therefore very difficult to control these waters. We believe that in the future a way will be found to make the river's flow steady."

Saldivar also spoke about integration, an aspect that has recently been discussed by the Southern Cone nations. Saldivar explained the government position that Paraguay "is part of every integration process, and that it is an integrationist country. We have demonstrated this with our actions in the international organizations, at the LAFTA [Latin American Free Trade Association], at the current ALADI [Latin American Integration Association], at the BID [Inter-American Development Bank], and in speeches by Paraguayan representatives -- including President Alfredo Stroessner, himself -- at several international forums. We believe that if Paraguayan interests so dictate, we will join all the integration processes, even the one now being undertaken by Brazil, Argentina, and Uruguay." Asked whether there had been an official Argentine or Brazilian proposal for Paraguay to join the tripartite agreement, the foreign minister said "we are working on bilateral programs and projects. Within that pattern, we will continue to make progress so that if our economy requires it, we will be able to join the economy of two countries that are obviously more advanced industrially. We are an agricultural and livestock-producing country. We must take good care of this aspect of our economy because our economy must follow the pace of the current times."

"Good Relations With Everyone..." [subhead]

Saldivar pointed out that "Paraguay's relations with all the Western Hemisphere countries are good. Of course, the relations with the neighboring countries are more dynamic because they are close, and because of the projects were are conducting with Brazil and Argentina."

Saldivar emphasized the Itaipu and Yacyreta hydroelectric projects, the Bridge of Friendship, which links the ciy of Stroessner (Paraguay) to Foz do Iguacu (Brazil), the new international bridge that will link Encarnacion (Paraguay) to Posadas (Argentina), also on the Parana River, the possibility of more practical and useful relations with Bolivia, and the current ties between the Paraguayan and Chilean Governments.

JUDGE RELEASES TRADE UNION LEADER, JOURNALIST

PY302138 Asuncion ULTIMA HORA in Spanish 30 Dec 86 p 50

[Text] Criminal Judge Cesar Rey Martinez has ordered the release of Dr Enrique Beliassai, a member of the Hospital de Clinicas movement, who has arranged several demonstrations to demand salary increases.

Last week, the police arrested Bellassai in Neuva Colombia where he was completing his rural service. He is accused of violating Law 209, on the Defense of Public Order and the People's Freedom, especially, he is charged with "inciting the people to take to the streets to confront the forces of public order and with offending the legally established authorities."

This morning, during his testimony before the judge, Bellassai denied all the charges and the trial judge failed to find sufficient grounds to order his imprisonment. Thus, the judge decided to order his release and sent a note to the penitentiary.

This morning, Criminal Judge Edgar Ruben Stanley ordered that Benjamin Libieres Plano be released from prison.

CHAMBER OF DEPUTIES APPROVES FULL STOP BILL

PY221133 Paris AFP in Spanish 1055 GMT 22 Dec 86

[Text] Montevideo, 22 Dec (AFP) -- The Uruguayan Chamber of Deputies this morning approved a bill which establishes a full stop to the investigations into human rights violations committed during the military regime.

The bill, which was approved yesterday by the Senate, establishes a full stop to any punitive action by the state against crimes committed before 1 March 1985 by members of the Armed Forces, Police Force, or by persons who were co-opted by the government.

MLN-Tupamaros Condemn Approval

PY230121 Paris AFP in Spanish 1954 GMT 22 Dec 86

[Text] Montevideo, 22 Dec (AFP) -- According to a statement issued today by the National Liberation Movement-Tupamaros Faction [MLN-Tupamaros], the approval of the law that brings a full stop to the examination of human rights violations has strengthened the political power of the military in Uruguay.

In the statement issued a few hours after congress approved the law, the former guerrillas stated that the only alternative left to them is that of the struggle. The Tupamaros have called for a popular mobilization capable of repealing the law by collecting the 500,000 signatures which will force it to be submitted to a plebiscite.

According to the MLN-Tupamaros, the approval of the law, which basically abolishes the state's intention to punish those involved in human rights violations, shows that (military) blackmail has existed and it was just confirmed today. Thus, the people's sovereign wish is treated disrespectfully the Tupamaros movement stated.

The Tupamaros gained notoriety in the 1960's while acting as urban guerrillas, but their organization was disbanded by the Armed Forces in 1972, shortly before the coup d'etat that dissolved congress. The guerrilla leaders regained their freedom, some after more than a decade of imprisonment, when the new democratic regime was installed in the country on 1 March 1985.

Demonstrators Protest

PY250118 Madrid EFE in Spanish 0241 24 Dec 86

[Excerpt] Montevideo, 23 Dec (EFE) -- Thousands of people today held a demonstration in downtown Montevideo to protest the Full Stop Law. This law, which was approved by congress yesterday, suspends the trials of military officers charged with acts of repression.

The demonstrators also voiced their solidarity with former leftist senator Jose German Araujo who was expelled from the Senate at dawn by his fellow legislators. Araujo was charged with instigating the incidents that took plce in front of the Legislative Palace at dawn on Sunday, 21 December.

The demonstration was organized by the Interunion Workers Plenum-National Workers Convention (PIT-CNT) -- the main labor union of the country -- the member parties of the leftist coalition Broad Front, and organizations that defend human rights.

The demonstrators marched along the 18 de July Avenue, the main avenue in Montevideo, and gathered at the obelisk plaza. The organizers repeatedly urged the demonstrators to march and disperse in a peaceful manner. One of the most chanted slogans said: "Now, now it is necessary for the missing to appear and the guilty to be punished." Among the people carrying flags of the Broad Front and the leftist parties and posters against the Full Stop law were many people carrying photographs of Araujo with the inscription: "Senator of the people." members of the organization of mothers and relatives of arrested-"missing" carried pictures of the missing relatives.

Yesterday, President Julio Maria Sanguinetti enacted a law decreeing the discontinuance of the legal actions against the military men and policemen who committed crimes for political reasons or in fulfilling their duties. [passage omitted]

Armed Forces Situation 'Normal'

PY261247 Montevideo Radio Carve in Spanish 0930 GMT 26 Dec 86

[Text] Defense Minister Juan Vicente Charino has said that the situation within the Armed Forces is normal, adding that even though the military is neither nervous nor apprehensive, it is not indifferent to the situation in our country, which he referred to as very complex. The minister said that in no way can the tranquillity of the country be upset by the uneasiness of some military sectors. Chiarino stressed that he is aware of what is happening within the armed forces and that he is closely following the events within the sector.

Demonstrators Attack Senator

PY280152 Paris AFP in Spanish 2349 GMT 27 Dec 86

[Text] Montevideo, 27 Dec (AFP) -- Senator Juan Raul Ferreira, of the centrist and opposition National Party, was attacked last night by some 50 demonstrators as he was driving his car. The demonstrators were protesting the Full Stop Law on human rights violations.

Ferreira today said that when he stopped his car yesterday at the intersection of two streets, a few dozen militants surrounded the car and began pounding it. They also threw two bombs at him. He said that the demonstrators, who distributed pamphlets demanding justice for the military accused of crimes against mankind, dispersed after the bomb exploded.

The senator, who is the son of the top National Party leader Wilson Ferreira Aldunate, said that his car was damaged but that he suffered no injuries.

Most of the congressmen of the National Party and all those of the ruling Colorado (Liberal) Party voted on Monday, 22 December for a law that put a full stop to prosecutions of military and police officers accused of violating human rights. The Broad Front leftist coalition voted against the bill.

OIL PRODUCTION CUT TO ALIGN WITH OPEC GOALS

PA230350 Caracas Television Service in Spanish 0000 GMT 23 Dec 86

[Report by Diana Iturriza]

[Text] One of the most important points discussed today by Energy and Mines Minister Arturo Hernandez Grisanti during a news conference is that, folllowing many discussions and negotiations throughout the years, the OPEC member-countries have finally managed to agree on cuts in crude oil production and established the price per barrel at $18.00.

According to Hernandez Grisanti, the achievements attained during the last meeting confirm and consolidate a new internal political relationship in each and every one of the OPEC member-countries. He also termed important the resolutions adopted among the nations, because these confirm an important change in some of the countries' positions and reassert OPEC's right to establish a price system and influence the markets.

[Begin Hernandez Grisanti recording] We have decided to return to the fixed price system, which gives OPEC influence in the oil market. Likewise, we have made a decision that will initially last 1 year. Although we have publicly established price ceilings for the first second quarters, we also have provisional limits for the third and fourth quarters, and we can eventually change them during the meeting in June. [end recording]

Consequently, Venezuela will have a production of 1,495,000 barrels of crude oil per day during the first semester. Despite this cut, the Energy and Mines Ministry is convinced that it will be compensated by the increase in prices, thus raising the fiscal revenues next year.

In any case, Energy and Mines Minister Arturo Hernandez Grisanti announced that they [OPEC] must wait until 25 June 1987, when the next OPEC meeting will be held, to evaluate the results of this agreement and decide whether to keep or reduce the production limits.

PRESIDENT ON ECONOMIC CRISIS, SOCIAL IMPLICATIONS

PA232136 Mexico City EL NACIONAL in Spanish 21 Dec 86 pp 4, 5

[First of four part "exclusive" interview with President Miguel de la Madrid by EL NACIONAL director Mario Ezcurdia at Los Pinos Presidential Residence in Mexico City]

[Excerpts] [Passage omitted] [Ezcurdia] Is there any particular circumstance that has allowed us to dodge the economic crisis without basically affecting the Mexican political system?

[De la Madrid] The government of the republic has approached the crisis we are experiencing, which has serious and painful consequences, with priorities that are both realistic and popular. To resort to economic fictions which maintain satisfactory indicator levels that are not supported by our economic results, in the end, has the most serious consequences for the people's interests.

However, the fact that we are realistic does not mean that we are abandoning the main principles of our political philosophy. We have emphasized the improvement of the material, cultural, economic, and social conditions of the majority. Education, health, supplies [abasto], employment, and housing have received the priority attention they deserve. Consequently, we have taken a combative approach to the crisis, always taking the people's interest into account.

An essential factor in waging the hard battle against the economic crisis has been our institutional system. I am referring to the group of political, social, economic, and cultural institutions that bring the Mexican society together and have conditioned this society to face up to good and bad times. They have given this society an ability to analyze, discuss, decide, and take action. The crisis has not paralyzed us. We are a strong and active nation.

An organized society that is determined to renew itself and to continue to be viable, informed, free, and dynamic, with its basic needs met, is capable of facing the crisis with strength and stability. [passage omitted]

[Ezcurdia] What is Mexico's future? I am not referring to the more or less immediate future. I am referring to the ideal goal, to our national aspirations. Where are we heading? In your opinion, what kind of society should our country seek?

[De la Madrid] I feel that our people are the true makers of our history. It has been the Mexican people who have established the path and national goals. Since the war of independence they have set out to attain and preserve national sovereignty. They have tried to build an independent, free, peaceful, and productive nation. From its origins, the Mexican nation has stubbornly sought to build an equal society and a society of free men.

The liberal republic in which human rights and liberties are respected and in which the exercise of power is controlled by law is a basic ideal of the Mexican people. However, social justice -- in other words, the people's access to education, employment, health, housing, entertainment, a good standard of living, and the welfare of all -- is a basic aspiration of the Mexican nation.

Therefore, the society that the Mexicans want is an independent one of free men, meaning a pluralistic society. It is a society guided by national sovereignty, the demands for social justice, the welfare of the majority, and, of course, the demands for freedom. It is, then, a society with a mixed economy in which the private and public sectors come together to serve the majority. It is a society based on the law and made up of free citizens. In other words, it is a democracy that is constantly trying to improve itself.

Therefore, there is no set model of the society we want. On the contrary, we seek a society in which liberty, creativity, and solidarity, as well as general welfare and justice are the norm. [passage omitted]

[Ezcurdia] Another important topic of discussion was the country's decentralization. It is an urgent need, indeed, but it is something difficult to attain in a country that has spent centuries trying to become centralized. Have we made any progress in this direction?

[De la Madrid] Regarding the country's decentralization, I think that we have succeeded in accomplishing a great deal, for example, the municipal reform that I proposed and the strengthening of the state governments, to which we have given increasing support and with which we have been increasingly coordinating other actions. Undoubtedly, state governments in Mexico are much more important now than they were 10, 20, or 30 years ago, when we had a much more centralized government.

I believe that we have also made efforts to attain the country's economic decentralization. All throughout the country we can see that cities and regions have a new vitality. This phenomenon did not appear with our government; it began earlier. We simply tried to promote and develop it.

I think that the decentralization programs for public administration have been very important as well. Specifically, the decentralization of the health sector shows the advances that we have made in this area.

[Ezcurdia] A true aspiration is that of attaining an egalitarian society. However, the crisis came down on us. Despite that, have we made any advances in this area during the first 4 years of your 6-year presidential term?

[De la Madrid] Regarding the egalitarian society, I must admit that the economic crisis has prevented us from making any significant advances. It is very difficult to make any advances of this kind during such an economic crisis. What we have done is to try to alleviate the social effects of the economic crisis by maintaining the well-being of large sectors of the population as a priority: for example, by supporting the popular supply services, the educational system, the national health system, and housing programs. I think that all those programs have somehow alleviated the harmful effects that the economic crisis has undeniably had on our society. [paragraph continues]

In this regard, we hope to recover firm and healthy bases for a sustained development that generates more jobs and permits effective policies for implementing a better income distribution. [passage omitted]

[Ezcurdia] You have said that Mexicans are determined to struggle ceaselessly for the defense and strengthening of our sovereignty. What characteristics should that struggle have at present? How and by what means has your government continued to defend the nation's sovereignty?

[De la Madrid] My entire government's policy is inspired by the defense and strengthening of our sovereignty. The educational, cultural, and social communication programs, as well as those that improve and promote our economy, are inspired by that objective. We are struggling to attain an economy that can become the most solid base for a sovereign nation. Within the national development plan, my government has included several specific programs particularly related to that objective. Above all, we have made great efforts to strengthen the institutions that direct Mexico's destiny. [passage omitted]

The Strategy of Structural Change [subhead]

[Ezcurdia] During your campaign you said that structural changes were going to be made in the government's general strategy. In other words, you announced a thorough modification of some aspects of our national life. How do you define this essential change?

[De la Madrid] Structural change is one of the two strategies included in the national development plan. It is basically a complete transformation of the Mexican economy which will serve to eliminate the basic problems that affect our systems of production and distribution. These structural problems are evident mainly in our low productivity and the unfair distribution of the benefits of our economic growth. These problems are the major obstacles for our development, because as long as they exist, we will never live in a fairer society. For this reason, we have decided to act with determination in resolving those problems.

[Ezcurdia] In what sectors of our economy do you think we have made changes already?

[De la Madrid] Although we must bear in mind that because of their magnitude and complexity, thoroughly resolving the country's structural problems is neither an easy nor an immediate task, we must point out that we have already made some important structural changes in several areas, which are beginning to bear fruit in several economic indicators. For example, the structural reform designed to improve and strengthen the finances of the public sector has made considerable progress. The number of public entities decreased from the 1,155 at the beginning of this administration to the current 680. The entities that have been eliminated did not have any priority or strategic importance according to the Constitution, and their elimination has allowed us to strengthen the areas that are of priority or strategic importance. Likewise, the structural reform in the public sector has entailed both changes in the public sector and retargeting of expenditures in non-basic activities toward those areas that have greater economic and social priority. Important structural changes have also been made to support public revenue and to promote taxation that is more socially just and more economically efficient. In this way, a more active policy of setting prices and tariffs has been established which eliminates unjustified distortions and subsidies, while ensuring that justified subsidies will reach the people in the lower income bracket.

[Ezcurdia] The public sector is therefore carrying out structural change. Could the same be said of the private sector?

[De la Madrid] We have also made important progress in the structural reform proposed to increase the international competitiveness of the national productive sector. This is the result of a realistic exchange policy, reforms to trade policy, the simplification of administrative procedures regarding foreign trade, and the new programs and mechanisms for the promotion of exports. From 1982 to 1985, non-petroleum exports increased by 50 percent, and have increased by an annual rate of over 30 percent so far in 1986, with increases in both the fields of manufactured products and agricultural products. In the manufacturing sector, there is more orientation toward production for exports. The export/production ratio increased from 3.8 percent in 1982 to 9.6 percent in the second quarter of this year. Mexican manufactured products have been recently sold very successfully abroad, including products such as beer, toys, glass products, automobiles, and automobile parts, all of which show that Mexican industry can compete on the international level.

To summarize: Promoting the strategy of structural change allows us to increase the overall productivity of our economy, which in turn establishes the bases for a gradual but continuous improvement in social well-being and a better distribution of revenue among the different income levels. In this regard, the high priority assigned to social expenses has allowed increasing coverage and improved quality in education and social security services. Likewise, this administration has begun educational reform to increase the levels of coverage and quality of education in the country, which will be an important instrument to promote structural change at a social level.

[Ezcurdia] What are your plans for structural changes for the next 2 years?

[De la Madrid] In the next years, Mexico will definitely increase structural change by strengthening and redirecting the strategic and priority areas of the public sector, by continuing the disincorporation [desincorporacion] of public entities not considered of a strategic and priority importance, and by modernizing national industrial plants. Likewise, we will continue to decentralize the national life by strengthening the federal pact and specifically by promoting special housing programs, improving infrastructures in the medium-sized cities, and reducing the high costs of urban concentration.

[Ezcurdia] Will the process of disincorporating the parastate corporations and modifying the remaining public enterprises continue?

[De la Madrid] The reconversion of the priority sectors and entities will increase in 1987, the process of structural changes than began in the cases of Banrural, Fertimex, Sidermex, and the sugar and naval sectors. In addition, an intense reorganization process will be carried out, both in the assets as well as the operation conditions, of Ferronales, Dina [National Diesel], Banpesca, Propemex, Inmecafe [Mexican Coffee Institute], and the science and technology sectors.

In disincorporation, we will intensify the process that was begun and the decisions that were made during 1986. [paragraph continues]

In this manner, the state will withdraw from the fields of chemistry, textile, pharmaceutical, and secondary petrochemical products, whose promotion no longer requires the presence of the state. The resources that have been freed by the disincorporation of these entities will then be channeled to strengthen the basic area for the economic guidance of the state. The goal is to achieve a strategic, compact, and efficient public sector.

In the foreign field, Mexico's entry to GATT and the negotiations to reach an agreement with the IMF and the international financial community in matters of foreign debt are unequivocal expressions of the structural change in the productive processes of the country, and increase its efficiency and improve its competitive nature concerning abroad. In line with these objectives, the exchange and trade policies will continue stimulating the growth and diversification of our exports in 1987.

[Ezcurdia] In the long and medium term, how will those changes affect the life of the Mexican people?

[De la Madrid] In the coming years the structural changes in our economy will be significantly noticable, especially the solution to unemployment. In this way, the changes made to the tariff and price policies, which used to encourage use of fuel and and intensive use of capital, will now generate jobs. The foreign exchange policy, which used to encourage the import of capital goods and foreign items, will now encourage the use of national items and will promote the creation of jobs. This has happened to other policies. Therefore, in 1987, because a growth in investment and production has been predicted, there will be more jobs for every peso invested and for every item that is produced.

In general, in the coming 2 years, we have to restore the basis of our economic system to adapt to the new international situation and the new domestic reality. The changes made in the last 4 years started in the right direction. Regarding the public sector, the productive sector, and the efficient relation with the world market, the structural changes signify modernization, and contribute to improve our economy and to make it more efficient and equitable.

[Ezcurdia] How could Mexican citizens contribute to attaining those structural changes?

[De la Madrid] The complexity that the Mexican society has reached requires renewed ways to practice politics. At present, Mexico has a very large and diverse middle class, a modern, organized, and complex labor movement, as well as a peasant movement very concerned with increasing its productivity and improving its well-being. In the coming years we have the task of finding means of participation that are new, modern, efficient, and quick.

The middle class wishes to have greater participation in the solution to problems that affect it daily, like public services, public security, ecology, transportation, and traffic, among others.

The importance of the middle class increases daily. There are an increasing number of political candidates who come from the middle class, and they have been occupying an increasing number of public offices. One can no longer offer traditional solutions to the middle class. We must look for an increasing participation of this group in national life.

Compared to the previous decades, we now have a more complex and organized labor movement. Its own leaders and ranks struggle to achieve more modern forms of labor union organization that can protect the workers' wages, not only through nominal wage increases, but also through benefits, productivity agreements, and a greater distribution of profits. The government, fully respecting the labor movement's autonomy, institutionally supports its legitimate demands.

The peasants' movement and the country's needs demand greater production and a higher standard of living. The true objective is not only to be given land but assistance in the organization of production. This is the reason behind the overall rural development policy.

It is natural that, day by day, there is increasingly less land to be given to peasants. This does not mean, however, that there are political, historical, or economic reasons to justify the disappearance of common lands, as some groups wish, or the elimination of small estates, as others demand. Our agrarian structure has proven effective. This is shown by the results of the food program and the volume of crops. The state understands the agrarian reform not as an obligation which concludes with the distribution of land, but as close and permanent cooperation between peasants and institutions to strengthen rural organization, ensure production and the supply of food, and improve the peasants' living conditions. In the final account, this is why, even in view of a severe shortage of financial resources, these resources still flow permanently and on time. This is also why we have kept striving for an ever better institutional coordination in agricultural matters. An important part of this policy is to improve small states through the effective organization of producers.

LEFTISTS DISCUSSING UNIFICATION FOR 1988

FL270200 Mexico City NOTIMEX in Spanish 0153 GMT 27 Dec 86

[Text] Mexico City, 26 Dec (NOTIMEX) -- The Mexican left hopes to become the country's second political force in the 1988 federal election, according to Deputy Eduardo Valle Espinosa, parliamentary coordinator of the opposition Mexican Workers Party (PMT).

He said that plans include the unification of several leftist groups, to be finalized in February. He pointed out that for the time being this new political group has no name, but that an understanding had been reached concerning the line they are to follow. He stated that talks among the five leftist political groups are continuing with the aim of setting up a Mexican socialist party.

Concerning the 1988 presidential elections, Valle Espinosa said that the candidate nominated by the left would have to conduct an in-depth campaign in order to learn first-hand about the problems affecting the people of the country's various regions.

BRIEFS

NEW ENVOY FROM TURKEY -- Eanju Uleen, the new Turkish ambassador to Mexico, arrived in Mexico City yesterday. Uleen will replace Ahmet Asum Akyamac, who ceased being the Turkish ambassador to Mexico on 24 December. [Summary] [Mexico City UNOMASUNO in Spanish 27 Dec 86 p 9 PA]

COSTA RICA

ARIAS DISCUSSES NEUTRALITY, RESTORATION OF ARMY

PA301805 San Jose Radio Reloj in Spanish 1200 GMT 30 Dec 86

[Text] Costa Rican President Oscar Arias Sanchez has said that if we get our country involved in the Central American conflict, we would be forced to restore the army that was abolished 38 years ago.

President Arias reiterated that there are several sectors in the country that disagree with the neutrality policy. Those same sectors would be happy to see the Nicaraguan counterrevolutionaries operate in Costa Rica as they do in Honduras, Arias said.

Arias said that if Costa Rica has to restore its army, the resources to acquire weapons would be taken from the funds earmarked for the health and education sectors. Arias Sanchez added that such a situation would stop the nation's economic development, as is happening in all Central American countries.

Regarding questions on his foreign policy, President Oscar Arias said that Costa Rica must maintain peace and civility. He said that those values are the best heritage of a country that exerts all its efforts to give water, roads, electricity, health, education, and other services to its population.

Finally, Arias reiterated that the efforts mentioned above have made Costa Rica into what it is today.

MADRIGAL SAYS NICARAGUA MUST CHANGE ATTITUDE

PA301712 San Jose Radio Reloj in Spanish 1200 GMT 30 Dec 86

[Text] A negotiation between the Sandinists regime and Nicaraguan political parties and the armed opposition is necessary to attain a peaceful resolution to the Nicaraguan conflict, Costa Rican Foreign Minister Rodrigo Madrigal Nieto has said.

It is evident that Nicaragua is experiencing an internal political, military conflict. Therefore, the sole way to achieve a resolution is through the dialogue; otherwise, the conflict will continue.

Madrigal Nieto reiterated that Costa Rica is one of the countries that is most affected by the Nicaraguan internal conflict, because groups of Nicaraguans fleeing from their country due to the lack of normal living conditions arrive in Costa Rica every day.

A change in the Nicaraguan Sandinist regime's attitude is essential to achieve peace in our region, Madrigal Nieto added. He said that the suit presented by Nicaragua against our country and against Honduras at the ICJ disregards the mediating efforts that the Contadora Group has been making, because to resort to the ICJ is to take the resolution of the regional conflict away from our area. Therefore, if we want to reach an agreement through the Contadora Group, Nicaragua must change its attitude.

POLICE DISCOVER 24 CANNON SHELLS AT BORDER

PA302252 San Jose LA NACION in Spanish 23 Dec 86 p 10A

[Text] The Rural Police have seized 24 82-MM cannon shells near the Banderas Farm in Pocosol, approximately 15 km from the Nicaraguan border.

Although nobody was arrested, an informant led the authorities to a "cache" where the armament was stored. Deputy Government Minister Alvaro Ramos said that the war materiel, which is Czechoslovak- and Soviet-made, is in perfect condition.

Experts in these kinds of devices said that each shell is worth $5,000 on the black market. The discovery was made as part of search operations being carried out by the rural Police (GAR) and the Intelligence and Security Directorate (DIS) to fight gunrunning along the northern border.

Ramos said the shells are similar to those used by the EPS, but he did not specify whether they had belonged to such forces, nor did he rule out that they had come from Nicaragua territory. He explained that these weapons are very sophisticated and powerful and that such weapons have never been used in our country. Ramos Chose to withhold other reports already in hand, because more armament seizures are expected in the country's northern area.

GAR Director Colonel Antonio Espinoza said that our country has been used for many years in gunrunning operations and those shells are part of the transshipment. He said that investigations led to the seizure of machineguns from Nicaragua that were being sold at 10 colones each in the northern area.

Four individuals were captured near Cacho Negro Hill on Sunday, 7 December, carrying what was described as war weapons. That case is being handled by the court of arraignments in Heredia, which has jurisdiction.

As for the cannon shells, if there are any arrests the file will be transferred to the San Carlos Court. In both cases, the material involved is described as war weapons, thus its possession is prohibited by the Weapons Law.

EL SALVADOR

REBELS KILL 16 SOLDIERS IN SAN VICENTE ATTACK

PA301625 San Salvador Canal Doce Television in Spanish 0300 GMT 30 Dec 86

[Text] Rebels attacked an Army position on the outskirts of San Esteban Catarina, in San Vicente Department, killing 16 soldiers and wounding 13 others, according to official reports and civilian sources.

Sources in San Esteban Catarina said that the rebel attack began at approximately 0100 and ended at approximately 0430. They reported that rifle and mortar fire was directed against the Army position on Las Delicias Hill. Twelve of the 16 soldiers who were killed during the heavy attack were identified by the authorities in San Vicente, where they were taken by air. Although the sources did not state the number of wounded in the clash, they said that these were very numerous.

Meanwhile, Coprefa revealed today at noon that 8 [figure as heard] soldiers were killed and 13 wounded during that attack, and claimed many casualties among the rebel ranks.

The official report indicates that units of the 5th Brigade reinforced the position and began a large-scale search operation to track the rebels down.

Five Rebels Killed

PA310024 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 30 Dec 86

[Text] This is a report direct from Coprefa. Five civilians have been murdered by terrorist in various places in the country. The victims have been identified as Anselmo Suira Hidalgo, Antonio Arias, Miguel Angel Aquino, Isabel Aviles Collado, and Leonel Martinez. Suira Hidalgo was taken out of his home and later murdered at the square in Ayutepeque Canton, Chalchuapa Jurisdiction, Santa Ana Department. Arias was killed in Buena Vista, San Miguel Jurisdiction. Aquino and Aviles Collado were killed in Pululuya, Oratoria de Concepcion, Cuscatlan Department. Martinez was murdered near Cerro El Pedernal, Jocoro Jurisdiction, Morazan Department.

As a result of various clashes betwen soldiers and FMLN members, five rebels were killed and three wounded. Three M16 rifles along with ammunition clips and ammunition were confiscated by government forces. Two extremists were killed in a clash with 5th Infantry Brigade troops near Amatequito, Tecoluca, San Vicente Department. As the result of the action, soldiers seized two fully equipped M16 rifles. Another subversive was killed and three others wounded in a clash with 1st Infantry Brigade members near El Bonete, Guazapa, north of San Salvador. An M16 rifle, ammunition clips, and ammunition were confiscated. Two other FMLN members died when the troops formed up and clashed with another group of subversives who were active near El Carrizal, San Simon, Morazan Department.

DUARTE EVALUATES 1986, GIVES OUTLOOK FOR 1987

PA301549 San Salvador Canal Doce Television in Spanish 0300 GMT 30 Dec 86

[Interview with President Jose Napoleon Duarte by Alfredo Villarreal; place and date not given -- broadcast in progress; recorded]

[Text] [Duarte]... [words indistinct] of these three elements. No one can deny the progress that the country's democratic process has made. That is perhaps the most important step taken by the nation in at least the past 50 years. This democratic process is a historic landmark. It has allowed the country's various sectors to express their beliefs. The fear that existed when an opinion was voiced has diminished. People can complain without running risks. Political and social pluralism to consolidate democracy have been achieved.

Second, the "United To Reconstruct" and "Road to Peace" programs have continued to prosper. Also important is the fact that we have lived through perhaps the most difficult year for our country without upheavals like those that happen in other parts of the world.

We see on television that all over the world -- in France, Iraq, Beirut, Afghanistan, and even the United States, and Mexico, several days ago, and in South America -- there are social upheavals that end in confrontation between the masses full of hate and rancor and the authorities. During these demonstrations, people are killed, buses are burned, and businesses are destroyed and looted. This has not happened in El Salvador during the 2 years that I have been in power, or during 1986, which you are asking me about.

[Villarreal] What do you see in store for El Salvador in 1987?

[Duarte] It must be understood that these three phenomena have left a sequel of damage and will continue to cause problems. The economy will not improve in 1987. The price of coffee has dropped to truly alarming levels. I said that there was an economic problems last year, when the price of coffee was $195 per quintal. It is currently at $134 per quintal. This implies revenue losses of between $200 million and $300 million. This equals all the assistance that the United States gives us. This is a serious situation. In economic terms, we will attempt to face it with faith that understanding and unity among the various sectors of society will help us produce more and satisfy the people's needs.

Agriculture will improve because I believe that the basic grains harvest will be better. The coffee harvest will be a bit bigger, despite lower prices. I believe that the cotton harvest will be bigger, but the sugarcane harvest will remain unchanged. Therefore, basic products will be produced at current levels. I expect our revenues from national production to grow this year.

NICARAGUA

RADIO CALLS U.S.-HONDURAN MANEUVERS 'PROVOCATIVE'

PA301226 Managua Domestic Service in Spanish 0300 GMT 30 Dec 86

[Text] Honduran and U.S. Army forces today initiated the first phase of military maneuvers to be carried out in a region bordering Nicaragua. The maneuvers have been called "Ahuas Tara 87."

The first phase includes engineering training. It will last until April 1987. Two U.S. battalions and 150 men from Honduras' 1st Engineering Battalion will participate in this first phase.

The second phase will begin in mid-April. It entails military training. For the duration of these provocative exercises, direct control of these forces will be under [Joint Task Force] Bravo with headquarters at Palmerola Air Force Base.

This is the third "Ahuas Tara" maneuver. "Ahuas Tara" is Miskito for big pine. In additon to the joint maneuvers that U.S. and Honduran Army forces will carry out as of today in a region bordering Nicaragua, the Pentagon has announced that there will be other maneuvers in Costa Rica and Panama.

In Washington, it has been announced that there will be maneuvers in southwestern Costa Rica and that these maneuvers will involve 250 U.S. engineers who reportedly will build bridges and roads.

Next month, 4,500 U.S. and Panamanian soldiers will hold maneuvers, which have been called annual maneuvers, in Chiriqui Province.

PASTORA SAYS ARDE CHARGES 'MOSTLY POLITICAL'

PA310108 Panama City ACAN in Spanish 1734 GMT 30 Dec 86

[Text] San Jose, 30 Dec (ACAN-EFE) -- Former anti-Sandinist Commander Eden Pastora said here that in January he would probably initiate the reorganization of ARDE to continue its political struggle against the Nicaraguan Government.

ARDE, formerly led by Pastora, disappeared when several of its zone commanders abandoned the organization and joined the forces of Nicaraguan Opposition Unity, UNO.

Pastora, who ended his 3-year armed struggle against the Sandinist government in the south of Nicaragua in May, entered Costa Rican territory with some of his loyal followers and requested political asylum.

Pastora, the former Commander Zero during the anti-Somozist war and deputy security minister early in the Sandinist regime, said: "We will reorganize ARDE with free and independent members in January, when certain political conditions, which we are not striving to achieve, occur."

Pastora pointed out that he will reorganize ARDE with men possessing "an independent mind who have been able to maintain their political independence as the result of a firm ideological conviction."

He added: "An alliance of patriots who do not sell or hire themselves to CIA, men who want to recover the original revolution of us Nicaraguans."

After saying that "the contras no longer exist for all practical purposes," Pastora said that the reorganization will be "most political".

Referring to the UNO, the leading armed anti-Sandinist organization and financed by the United States, he said: "All, but chiefly the Nicaraguans, have realized the deception, division, and corruption and all the evils brought about by those who have gotten rich at the expense of war."

The former ARDE military leader insisted that he will continue to abide by Costa Rican law and will respect its neutrality. This is why he does not plan on executing armed actions from this country, but rather on carrying out political activities as permitted by law.

CASTRO ADDRESSES 11TH ANPP ASSEMBLY 26 DEC

FL271400 Havana Television Service in Spanish 0132 GMT 27 Dec 86

[Remarks by Commander in Chief Fidel Castro Ruz, first secretary of the Communist Party of Cuba Central Committee and president of the Councils of State and Ministers, "during the discussion and approval of the single socioeconomic development plan and state budget for 1987" at the 11th regular period of sessions of the National Assembly of the People's Government, ANPP, on 26 December -- recorded]

[Text] Comrades, I would first like to clear up a point about the deficit. Our deficit is bigger. It is not 115 million. What happened was that one adds the credits to the income that we received from socialist countries, basically the Soviet Union. These are annual credits for investments and various other needs. These credits are added to the income and that is why they reduce the deficit. But the real deficit, the difference between the country's income and expenditures, is bigger. So although the deficit is relatively small, that does not make less important the effort to augment revenues and reduce the deficit and obtain a surplus. Its magnitude without those revenues would be much greater.

Now, although the things that our fellow deputies are discussing are important, without a doubt, I feel that we should not allow the debate to continue in this direction, because we could get the impression even if only for a few minutes that the problems are much simpler than they really are, and much easier to solve than they really are. Would that our problems were that simple!

If they depended, if they consisted of the points that the fellow deputies have brought up -- expenses here, underutilization or waste there. All these things are important. But they are not broaching -- and I cannot blame them -- the fundamental problem. We cannot deduce from Comrade (Lupito)'s words what the fundamental problems are, although he did hint at them, he referred to the difficulties the economy faces. I believe that the most important thing for the country in 1987, and possibly in a more extended period of time, is basically this economic problem, the vital, fundamental issue. The difficulties we have to face derive from circumstances and factors, not only subjective ones, but in this case fundamentally objective ones that have cropped up, complicating the country's economic development.

In 1986, when the congress took place, our country drafted a plan that was rational enough. In 1984, early 1985, the central group had been organized, radical changes had occurred in methodology -- to use an oft-used work -- in drafting the plan. All the ministries had broad participation in the preparation of the plan, as did the people's governments. Before, the plan had been drafted by the board, it came down, it was discussed group by group in terms of the resources they were requesting, the plans that they wanted to carry out, and the resources assigned to them. With the new method, all the organs and factors were given the opportunity to participate in the drafting of the plans through the year. This way much greater cooperation and participation were elicited and a more rational plan was achieved. Therefore, the 1986 plan was drafted in these circumtances. In 1985, the plan worked on in 1984 had to be redrafted. A new plan had to be made adapting it to the realities in terms of external finances, especially the realities in terms of convertible foreign exchange, since imports were around $1.5 billion in 1984. Goods from the West.

In truth, we spent more that year than we could afford to, and we found at the end of 1984 that we had to have a more reduced plan, and not only a more reduced plan but a plan that would help to increase exports in convertible foreign exchange. We concluded at that time that we had to increase exports within the next 4 or 5 years by no less than $500 million to convertible areas, since it was felt that even $1.2 billion in imports strongly limited the development of certain products and the meeting of certain needs in our country.

Even so, when the plan was drafted, oil cost around $29 the barrel. The devaluation of the dollar had still not come about. It affected us indirectly in the form we have explained. The hurricane had not occurred when that plan was drafted. The drought we had. The hurricane came on top of the drought. The facts were that when the plan was drafted, based on imports from the convertible area amounting to $1.2 billion, some of these factors, which turned out to be decisive, were not part of the picture.

Around the time of the congress, after the congress, there was an abrupt drop in the price of oil, practically by half. This affected us considerably because the exports, or reexports of fuel -- basically reexports and some exports -- of our production had become one of the most important sources of foreign exchange for our country. So, that abrupt fall in imports [as heard] deprived us of an income of around $300 million out of the $1.2 billion that we had counted on. We were counting on an income, imports of $1.2 billion. Around that same time, there was a sudden devaluation of the dollar. These are mechanisms used by the capitalist countries, imperialism, precisely to finance their rearmament. The dollar was overvalued. It paid very high interests. It was a mechanism that brought interests up, that considerably affected Third World countries, Latin American countries to a very large degree. They had to pay very high interests on their foreign debt.

Through this mechanism, imperialism obtained very large quantities of money. Many countries affected by the devaluation, or rather affected by inflation, deposited their money in American banks to earn high interests. This caused many complaints among the debtors and caused complaints even from the capitalist allies of imperialism. In the end, and this is something that we had talked about, the United States had received large loans, or large transfers of money, expensive money. In the end they were going to pay with cheap money. In fact, in many aspects, the devaluation of the dollar was benefitting a number of countries, because what they bought in the United States they could buy at a reduced price. They could acquire dollars, that is, if they exported to certain countries -- Japan, Europe -- they could later acquire the dollar more cheaply and they benefitted when they got their imports which came from the United States.

In Cuba's case, as a consequence of the blockade that prevents trade with the United States and forces trade in the West with a small number of countries, the devaluation of the dollar paradoxically had a considerable economic effect on us. Instead of buying products more cheaply had we been able to trade with the United States, we had to pay more dearly that which we imported from the capitalist countries: Japan, the FRG, Switzerland, any of those countries. Let us remember that when the dollar was devalued, the cost or price of the yen rose. If sugar was at 6 cents, for example, we had an amount of money -- because it's 6 dollar cents -- we found when bought in Japan that the yen had risen 30 or 40 percent. Therefore, what cost us $100 before the devaluation now cost $130 or $140 -- any of the imports from that area.

Well, according to our estimates, our expenditures went up $150 million because of the devaluation of the dollar. We are using the dollar as the measure because we cannot really use the peso; we can't make a cocktail of currencies here. If the country had $100 to spend, $100 that came in from its imports, now the country needed $130, $140 to buy the same thing. That was another problem, in addition to the unequal exchange. Unequal exchange consists, as I was saying yesterday, in the fact that sugar costs 6 cents; it costs the same as 30 years ago. And I am using sugar as an example, but the same goes for other exports from Third World countries, and what is purchased cost five or six times more, or at least four times more. So, between the effects of the oil price drop and the increase of the cost of the currency we have to use to pay other Western countries, we were alrady being affected to the tune of $450 million. Add to this the effects of the drought, which had already factored in. But then the hurricane came. Fortunately, we were able to keep the consequences of the hurricane to a minimum because of the excellent job done by our sugarcane workers, when they tried to cut cane that was bent, broken, and even twisted by the hurricane in many provinces that were of great importance to the country's sugar industry. Damage was kept at some 250,000. In practice it could have been more, because the end-of-year rains could have increased, and were already increasing, the supply of sugarcane or the estimates of sugarcane. It could be that the hurricane might have finally affected us to the tune of some 400,000 to 500,000 tons. After all, in 1985, which was a dry year, some rain fell in the last quarter on important areas.

In short, we found that our income plan was reduced by around $500 million. When the income from convertible foreign exchange dropped in such a large amount, for the first time in 27 years our country could not meet its international commitments. The debt had already been renegotiated. We were not paying capital but interests. As a consequence of this abrupt fall in our income we saw ourselves for the first time in 27 years suspending international financial obligations. That, of course, was a complicated, difficult situation. It caused a new renegotiation of the debt in difficult conditions. Above all it caused complications in regard to the credits that the country normally obtained when it was short of covertible currency to meet some essential economic needs.

That reduction of income in convertible foreign exchange looked worse in 1987 [as heard]. Despite this difficulty, 1986 passed rather normally. But the time had come to prepare the 1987 plan. Contrary to 1986, we could not draft a plan based on imports from covertible areas of $1.2 billion. If at the end of 1984, we considered it imperative to increase our exports by $500 million within a period no greater than 5 years, the reality we were facing in 1986 and 1987 was that income in covertible currency would be reduced in around $500 million each one of those years. And if $1.2 billion had been considered the absolute minimum for the economy earlier, we now saw ourselves forrced to think very realistically and to perform what could be called almost a miracle.

What was that? A plan with only $600 or $650 million in imports from the convertible area. Therefore, the central group, the planning board, the party and state leaders saw ourselves in the situation of having to find a solution to this problem. And the solution could not come from outside. Some of the factors that affected us also considerably affected the foreign exchange income of the Soviet Union -- to a considerable degree, because they export large amounts of oil and gas. We do not belong to the International Monetary Fund, the World Bank, or any one of those international credit organizations controlled by imperialism.

Could we ask them for loans in convertible foreign exchange to face this situation? And our closest friends at the same time were considerably affected, as for instance, the Soviet Union, because of the same problem. We could not think of finding solutions abroad. For many years, when the price of sugar plummeted to 3.5 or 4 cents, we had credits. That is precisely the source of the foreign debt in convertible currency. Apparently nothing had happened. Sugar was at 4 cents. Convertible income was very much affected. But everything remained the same in our country. Our income, our consumption was not affected. On the contrary, income and consumption increased.

The same thing happened to a large number of Latin American countries, even countries that had enormous income from oil exports, for instance. Even though they had enormous incomes they were affected by the debt, since everything they imported increased in price, and the other products that the majority of the non-oil exporting countries sold were affected by international prices as well. The social and economic situation in those countries was truly terrible. Our country had to solve this problem with its own efforts, its own resources, and especially with its own sacrifices.

Some people were discouraged with these difficulties. Discouragement and defeatism are the only thing that has no room in the minds and hearts of revolutionaries. [applause] Not even in the most difficult of times did revolutionaries admit to discouragement. Revolutionaries must adopt suitable measures when faced with each situation. Therefore, we had to make do with our plan to import from convertible areas reduced to half the minimum that we had previously considered indispensable.

There were periods, even with lower prices, when those imports rose to $1.5 or $1.6 billion. And we undertook that task, the drafting of the plan, to know specifically what the effects would be. We were determined to deal with the necessary effects but we wanted to know them with plenty of time, so that this kind of problem would not catch us by surprise. Those were the circumstances in which the plan was drafted, the economic plan that was read in a few minutes.

We tried to have a plan that would not first of all sacrifice the country's development. How to face this situation without affecting the country's development? How at the same time to affect public consumption as little as possible? We were basing ourselves on certain premises.

The plan was drafted this way, but not without effects. There are effects. Again in 1987 we have the same circumstances of 1986. We will have some $300 million less from reexport and export of fuel. Of course, the possibilities of exporting fuel stemmed from a considerable effort made to save fuel. Without that effort, the fuel would have been spent as it had been in the past. Take the sugar industry. Each year it spent half a million tons of fuel to produce 5 or 6 million tons of sugar. Our sugar production was exceeding 7 million -- that is, 50 percent more. And yet, we had been able to reduce to zero the amount of fuel used to produce raw sugar in our mills. Our administrators in the past had not worried about the optimal use of bagasse, which was the traditional fuel of the sugar mills, and when there was any difficulty or the boiler pressure went down, they opened the oil valve. Perhaps it would have been fair when speaking about Cienfuegos to recall that it was precisely that province that set the example to follow by reducing to zero the use of oil in the province's sugar mills.

It was in the wake of the Cienfuegos experiment that the method, the policy to reduce or produce fuel extended to the whole country. In fact, the fuel valves were removed in many of the sugar mills and the use of fuel was reduced to zero, except in those sugar mills that have no bagasse because they have to use it for wood or paper and therefore they need some energy. But, consumption was reduced to zero by replacing it with wood, saving the bagasse, creating reserves, and sometimes transferring it from one mill that had more than it needed to others. But these savings of 500,000 tons gives you an idea of how fuel was wasted in our country. We were able to export precisely as a consequence, fundamentally, of that effort, aside from domestic production which has speeded up in recent years and now reaches around 1 million tons.

But those exports were based on a determined income. Now the corresponding incomes had been reduced to half. And no one knows for how long. Maybe when they raise the price again we will no longer have any surplus except what we get from increased local oil production.

Logically, no matter how much we save, development requires the use of fuel. When the Moa enterprise is in full operation, it will use up hundreds of thousands of tons, and so will other industries. Nevertheless, we believe that it is still possible to save more in our use of fuel. Each ton that we save will either help us to obtain additional income in convertible foreign exchange or will allow us to develop plans or make bigger investments there where the limitations of fuel turn into an obstacle for the full development of those plans.

This situation will be repeated in 1987. It might repeat itself in 1988. It cannot be predicted how long these low prices will last in an area that had provisionally become an important source of income for the country. There are still problems in relation to the devaluation of the dollar and an even bigger devaluation could take place to add to the cost of the currency of those countries from which we export capitalist goods.

On top of this, the drought of this year is much worse than the droughts of years past, and much worse than the one of 1985. I asked the Academy of Sciences several weeks ago to keep me informed about the rains. I asked them to collect historic data on the average of rains, and how much it had rained in the past few years, in 1985 and 1986. We were able to find out with some precision how abnormal the rain has been, not only in 1985 and 1986, but since 1981. For 6 years. A rigorous study was carried out by the Academy of Sciences. Data for the last 40 years show interesting comparative figures that our cadres and all people should learn about.

Because in a way we have become used to looking at problems as if they did not exist, to acting as if there were no calamity or problem. This situation has been occurring for 6 years. The Academy of Sciences report says: Analyzing the pattern of accumulated rain nationwide during 1981-1986, rainfall in these years has been below the historic mean. The most critical provinces: Guantanamo, with 57 percent; Santiago de Cuba, with 62 percent; Holguin, with 71 percent; and Matanzas, with 72 percent. I remember in the first years of the revolution, the decade of the sixties, and other periods, that we looked at the rain figures every day. Generally, rain was above the historic mean one year, below the next.

Rainy years alternated with dry years, except in some occasions when we had two consecutive years -- and this happened once or twice in the past -- that were below the historic average. If we use the terms employed in the international bibliography [as heard] to determine the qualitative pattern of a single year or period, in consideration of the percentage of total precipitation in respect to the historic average, the following criteria must be used:

A drought is when the total annual rainfall is equal or less than 85 percent of the mean. In terms of intensity, droughts are classified as: moderate drought, more or less 85 percent; intense drought, less than 75 percent; very intense drought, less than 70 percent of the annual mean. Accordingly, in 1986 our country is experiencing a very intense drought. Of course, these data about the average yearly rainfall do not exactly describe the specific situation, because sometimes it rains in the mountains, and in certain provinces with not too much sugarcane. These could influence the average, and yet the situation in the most important sugarcane areas may be well below the yearly average, the historic average.

So we have that in 1985 the drought was intense, but yearly rainfall was 80 percent of the historic average, with some provinces below that 80 percent, such as Pinar del Rio, Havana, Havana City -- rain doesn't matter so much in Havana City -- Matanzas, 68 percent; Holguin, 73 percent; Santiago de Cuba, 60 percent; Guantanamo, 47 percent; Isle of Youth, 76 percent. Now what has been the rain pattern this year? For the second consecutive year with accumulating effects? They gave rise to spring planting in 30,000 caballerias to try to reestablish the fields that were very affected first by the hurricane and then by the drought.

Nationally, up to 21 December, rainfall was 65 percent of the historic average. That is how much rain has fallen nationwide. And we had said that below 70 is classifield worldwide as a very intense drought. In Pinar del Rio, rainfall was 73 percent; in Havana Province, 68 percent; in Havana City, 70; in Matanzas, where it was 68 percent last year, it was 62 percent of the historic average. In Cienfuegos it was 83; it was the only province with a moderate drought. In Villa Clara, 63 percent; in Sancti Spiritus, 74 percent; in Ciego de Avila, 71 percent; in Camaguey, 65 percent. Yes [rustling of papers] In Las Tunas, 58 percent. It rained 658 millimeters as compared with an average... [rustling of papers] I am looking for a figure that I had to fix because where it said 48 it should have been 58. Right! In Las Tunas, 658 millimeters -- 58 percent. In Holguin, 45 percent; in Granma, 65 percent; in Santiago de Cuba -- and remember they had heavy rains in June -- 68 percent; in Guantanamo, 49 percent; in Isle of Youth, 67 percent. That is the level of drought after a year of drought. And this shows in the reservoirs. If we exclude Carlos Manuel de Cespedes and Protesta de Baragua -- it used to be called Canasta when it was being built -- other reservoirs throughout the country are practically empty. Well, we don't know what would have happened without those reservoirs, which at least allowed the cultivation of rice, for example, even with some difficulty. Now, rice harvests in cold areas, where the yield is the highest, have been reduced to a minimum. A cooperative of the prestige of the Aniceto Perez cooperative here in Havana, which is not a rice cooperative -- it plants potatoes, vegetables, and other crops -- has reduced its area of cultivation to a third. So, this has to affect our production, not only of sugarcane, but also the production of dairy goods, tubers, vegetables, and other foodstuffs.

I believe that this should make us stop and think. At a certain point there was a great hydraulic boom [voluntad] in the country. It started to develop with Hurricane Flora and the devastating floods it brought with it. We lost more than 1,000 lives and there was great economic damage. I don't remember exactly, but we lost a bit over 150,000 heads of cattle. A program was undertaken to build dams to control floods and at the same time use them to develop rice paddies and other crops.

This hydraulic boom acquired great force in the decade from 1965 to 1975. This hydraulic boom later little by little collapsed. Allotments, resources were missing from the plans. The building of dams and irrigation systems faltered. This affected the production of citrus fruit, among other things. In the last 5-year period, the plan for hydraulic works, which was already quite modest, was fulfilled only 70 percent. What was left undone in the building of dams was the equivalent of a full year of work. In some provinces, the engineering works enterprises brought together the construction of roads and dams. This, along with negative trends that developed, such as the allocation of few resources to many projects, which led to the perpetuation of the projects, resulted in 1980-85 becoming the 5-year period when the growth of capabilities in millions of cubic meters was reduced to a minimum.

It is true that many of the most productive reservoirs -- in the sense that they had the easiest to close dams, the biggest rivers -- have been built, but there remains a large potential in the utilization of our hydraulic resources. I was telling our comrades at the Central Committee meeting about Vinales, a municipality we visited during "Bastion 86." We saw the situation there. There was a big drought. Nevertheless, a cooperative there had completed its tobacco planting and all other planting although it had not rained. There was a microdam of 600,000 cubic meters which in mid-January has no water, not because it is consumed but because it filters away. Maybe because the groundwater table level drops and the ground is calcareous, the water runs out. However, they had water those 2 and 1/2 months; they were practically ready to begin the tobacco harvest, and, waiting for the rains, had done the planting. I asked Comrade Lugo of Pinar del Rio Province and the comrades at the municipality to make a study on how many microdams could be built there to run Vinales into a model of utilization of all water sources. They brought out a map showing all that can be done there. There is still a lot to be done. A similar situation is probably facing municipalities in uneven terrain because it is more difficult to build this kind of dam in the plains to guarantee water in critical periods and to carry out agricultural production.

At this meeting I told the comrades of the central group and the planning board about the need to recover dam construction capabilities, to study well how to redistribute resources to go back again to build up the tempo of dam construction -- big, medium-sized, small. It is in these circumstances that one can appreciate how valuable these investments are in guaranteeing the water supply.

Of course, the 1986 drought is more serious than any of the others of the past 40 years. And we say 40 years because those were the figures recorded by the Academy of Sciences. If the research had been extended, it is possible that it could be the worst in the past 50 or 60 years. But nothing can be said for sure. Only that we have had a period of little rain. Logically, it has been affecting agricultural production and has affected it basically in the last 2 years.

One of the first conclusions that we must draw is that we must recover the hydraulic boom and our tempo in creating sources of water supply. This is very important, and an example is that if this year in Havana Province we can plant the same amount of potatoes that we have been able to do in the past, despite a low groundwater table, it is because we finally finished the Pedroso Masposton canal, which allows ut to utilize some 80 million cubic meters at present stored in the Masposton reservoir, a work that was begun many years ago. It was a project that already had many of the induced [inducidas] works, such as a smaller dam to pump the water that flows from the Aguacate valley. It was slowly and finally finished in 1986. It will allow us to extend the cultivation because not all the water available will be able to be used, as irrigation systems are yet to be built. One of the things that we have proposed ourselves is to have the steelworking industry build 50 of those systems this very year, 1987.

This is a very important kind of irrigation system which we are receiving in limited quantities from the USSR because it does not have bigger supplies, only 25 each year. It is a very efficient, economical system that saves water. They are not too complex to build. We hope that at the end of the 5-year period the steelworking industry will be producing around 150 of these each year.

With all the factors involved, we could delude ourselves into believing we could go on as if none of these factors were present, affecting our economy. Of course, our economy has the enormous advantage of finding support in the economic and commercial relations with the socialist community, especially with the Soviet Union. That is, a large part, a fundamental part of our economy finds support in that. If this were not so, I would hate to imagine how we would manage to consume more than 10 million tons of oil and export the excess, which has been the result of economizing. How could we guarantee our levels of energy consumption, general economic activity, and production in general?

Why are these components from the capitalist area so important? Because they are goods that we cannot obtain in the socialist area. Certain amounts of grain for the production of fodder, for instance, to keep up the production of milk, eggs, and meat. We cannot obtain these things in the socialist area. For instance, certain medicines, certain raw materials. If a production requires 40 raw materials and 35 come from the socialist area, if we are short 5 from the capitalist area, then we cannot make the product. This includes foodstuffs, raw materials for medicine, medicines, spare parts, raw material. It could be an important herbicide for the sugarcane, or a pesticide, or certain seeds, etc.

What forces us... [changes thought] what turns these imports into very necessary imports?

Well, the plan has been drafted on the basis of these realities. But before going on, before finishing with this factor we were examining, it would do well to point out that to deal with the drought we should not only find support in the continuation of our hydraulic works program; there is a very important second factor which for a time had been relatively neglected, and which has received greater attention in recent years. That is the potential of making rain. This is the second element we should use to fight as much as possible this kind of natural disaster. Since 1982, the Academy of Sciences has been carrying out a rigorous, methodic research program on the possibility of making rain by seeding the clouds with certain products.

I believe that in this case it is silver iodide. [rustling of papers] Is it silver iodide that they are using in Camaguey, Lazaro? [rustling of papers] So they already have some results of this seeding of clouds, this making it rain. Summary of the campaign to produce rain for the period 1982-86. The following results were confirmed through various evaluation methods: In 1982, April-June, Holguin, Pinar del Rio, and Camaguey. Dependence exists between operations and precipitation. In 1982, September, October, Santiago de Cuba. Increased precipitation. In 1983, May-October, Guantanamo, Santiago, Granma, and Holguin. Increase in Guantanamo; August estimate: 36 million cubic meters; September estimate: 10 million cubic meters. In 1984, April-October, Guantanamo, Santiago, Granma. Estimated increase in Guantanamo, 300 million cubic meters. Dependence between operations and rain. In 1985, April-October, Guantanamo, Santiago, and Granma. Dependence was determined between operations and rain. Estimated increase in the three provinces in the whole period, 800 million cubic meters. In 1986, April-November, Guantanamo, Santiago, Holguin, Pinar del Rio, Havana, and Matanzas. Evaluation not concluded.

The research shows that in all years, all provinces, there is a relatively important increase in precipitation using these methods. I feel we must intensify this research and apply its results as soon as possible. It is showing us a second very important point of support for us to fight this problem. Clouds with sufficient moisture but not enough for precipitation often pass over the country, and with this technology we could make a lot of those clouds precipitate, especially over the areas where we have the reservoirs.

As I was telling you, these circumstances determined the drafting of the plan. We were trying to find an optimal plan with the two objectives I mentioned earlier: to not sacrifice development and to affect public consumption as little as possible. It is not going to affect either economic or social development.

Before making this study, this analysis, this variant of a plan of around $600 or $650 millions of imports in convertible currencies, we did not have a very clear idea of what the inevitable effects would be, measures that we would inevitably have to apply in 1987. That is why I want to bring them up for you and for the rest of the population.

Why were the measures agreed on? Partly to save convertible foreign exchange and partly to seek internal financial balance between our income and the resources available to produce that income. The deficit, too. I want to show you here what these measures consist of. They are the minimum, but that doesn't mean they are the only ones. No one can be sure whether in the course of the year it will be necessary to adopt other measures. Since this situation will not be resolved in 1988 and because development and investments have to go on, it is likely that additional measures will be necessary in the 1987-88 plan. And if we are wise, we really should extend this radical policy designed to save convertible foreign exchange and to depend less on this foreign exchange through the rapid completion of those investment objectives that can replace imports in convertible currencies, or those investment objectives that will augment exports in convertible currency. This, through greater efforts to the extent possible to obtain in the socialist countries part of what we are forced to acquire at present from the capitalist camp.

I believe, I am convinced, that the measures that we take now will be the most realistic ever -- that is, they will address the reality of a blockaded country, a country that has difficulties in increasing its exports in convertible currency areas. Because we export nickel and the Yankees chase our nickel all over the world, they do not feel it is enough to deprive us of the American market, one of the biggest markets in the Western world. Many countries all over, when they make up their programs to increase exports, estimate a large part of this increase will come from the American market. They are not happy with just depriving us of that market. They do other things. They chase our exports all over the world. They take measures, you could say repressive measures, against companies that buy nickel or buy other Cuban products, forbidding them to transport cargos that include nickel or other Cuban material to the United States. They are not happy with just doing that. Look at their sugar policy. Of 5 million tons they imported some years ago, they are now importing 1 million -- 20 percent. And they are doing away with those imports. When we discussed the foreign debt, we had mentioned this. They had reduced the sugar quota to less than 2 million, and now they have brought it down to 1 million. A hue and a cry has been raised by scores of countries that exported sugar to the American market. With that merciless, implacable selfishness, they reduced by half the quota for countries such as the Dominican Republic; scores of other countries have been affected by that implacable measure taken by imperialism, cutting down to a million. They are also affecting those countries that did not have a U.S. quota, because in these past years they have dumped on the market the 4 million that they had stopped importing. This 4 million have ended up in the international market.

And if you take the 5 million tons the EEC dumped on the international market, a region that used to import sugar and now exports 5 million tons of subsidized sugar, and add the 4 million that the United States has stopped importing by replacing it with subsidized sugar, this would explain the drawn-out period of depressed prices that the so-called international sugar market has been experiencing.

In the drafting of the plan, seeking the objectives that we mentioned, seeking to save convertible currency, and seeking an adequate internal financial balance, we agreed on some 30 measures, from 35 [as heard] to 30 measures for application in 1987. I am going to list them:

We will eliminate the quota of electrical domestic appliances and spring mattresses for social programs, except in organizations such as tourism. This is to make more of those articles available for sale to the public. The objective is to earn income, to help the balance of domestic finances.

We will adjust the distribution system of liquid milk. Everything possible was done. We cannot import more powdered milk above what we are receiving now. We are receiving around 20,000 tons from the GDR, around 9,000 from the Soviet Union, some amounts from the world food program. We cannot think of importing powdered milk in convertible currencies. With certain adjustments we can meet the needs. We can make a big effort in our own external [corrects himself] internal production despite the rain [as heard], despite the drought, without affecting, for instance, the distribution of milk among children. We will keep their quota of a liter of milk. We will have to make some adjustments, whether with the intermediate level student or the secondary rural schools. They receive half a liter.

We will adjust it to one third. In those workers' lunchrooms where they received a third, we will adjust it to a fourth. In certain diets, we will adjust to a fourth of a liter. So, these are a whole series of measures that will not affect the children but will stili meet needs without spending convertible foreign exchange in imports of powdered milk.

Adjustments will be made in a small degree to the diets of boned beef. It will be adjusted to about 1/4 pound. You see, we have to go down to the nitty-gritty, with plenty of precision, with the intention of affecting the least number.

We will eliminate the afternoon snack service in the administrative spheres of the central organs of the state and of the local organs of the people's government. That is, the afternoon snack is done away with. I sincerely tell you that this is going to be a healthy thing.

We will reduce the sugar quotes for the Food Industry Ministry and the local organs of the people's government used in production.

We will replace the quota of up to 2 months of rice for the organs of the western provinces with double the potato quota. This will save a few thousand tons, giving out potatoes for 2 months, the harvest time when potatoes are abundant, instead of assigning rice to the western provinces.

We will adjust the quotas for the workers lunchrooms at the sugar and agriculture ministries except during sugarcane harvest season. This is because food self-sufficiency has developed enough in agriculture and the sugar industry, and this makes it possible to reduce some of the central quotas for the lunchrooms of those ministries.

We will replace, all over the country, the afternoon meal in child care centers with a snack -- that is, give them a more substantial snack instead of the evening meal. This has two purposes. This idea had come up earlier. The objective is to increase the number of child care centers, because the demand is there. The capital itself has a strong program this year. We will extend this program to the rest of the country in 1988. Our concern was that this increased social programs expenditures and we estimated that substituting one of the meals we could considerably increase the number of centers without increasing the social programs. The child has his quota at home. If a 5-year-old has a liter of milk at home and has his full quota, and he is already receiving a snack, lunch, and another snack, then the fact that he has to eat at home will do him no harm.

This will not only help to save money but it will also make it possible in later years -- and this is the main intent -- to have a program to build child care centers to meet the growing needs of families, of working women. In Havana Province alone, 50 child care centers will be built in 1987. I mean Havana City where there are some clandestine centers. Mothers, of course, prefer the care and security that the social... [corrects himself] the child care center provides.

We will adjust the planned excess of the students mobilized to rural schools. This, too, in search of savings. The excess.

We will keep the number of students eating at half-board and full-board schools at the same level as in the 1986-87 term. The number remains the same. The quotas will not be increased.

We will reduce the monthly kerosene quota of the core consumers. In fact, that measure has already been applied. That is the real situation.

We will adjust the gasoline quota used in administrative activities by 20 percent.

We will adjust television programming to 5 hours a day from Monday to Friday. We will adjust television programs to 2 hours Saturdays and Sundays.

We will earmark an additional 10 million square meters of fabric for export that was orginally intended for personal and domestic use. Yes, we will deprive ourselves of 10 million square meters.

We will increase the electricity rate for the domestic or private sector. The rates will go from 6.5 cents per kilowatt to 9 cents. A 2.5-cent increase. I understand this is still 1 cent less -- if my recollection is right -- than the rate was 30 years ago, nearly 30 years ago under capitalism. The revolution cut the rate considerably, almost in half. What we had before was the lineal rate, for those who exceeded 100 kilowatts. In this case, it is raised. Even though now investments per kilowatts are about five times higher, and fuel prices are much higher, electricity will not cost the 10 cents that it did under capitalism. The objective of this measure is to economize, because yearly increases in electricity consumption are considerable.

We will regulate the assignment and use of vehicles in the civilian state sector and eliminate the connection [vinculacion] with privately-owned cars. There are a large number of state cars with blue plates ranging from scooters to pickups, jeeps, cars of all kinds. These are the ones that frequently show up at the beach, at recreation areas. The population, rightly and fairly so, criticizes this. We will establish [corrects himself] we are working hard so that we can define in the strictest terms who will have what used to be called official plates. We will do this in the shortest time possible, although it is going to take some months. We will reduce the use of official plates to a minimum. We will define what you can and should do in those vehicles with official plates. We will use mostly taxicabs [vehiculos de pigueras] in organs and enterprises -- we are still studying the enterprises more closely. These vehicles will bear signs identifying the organization. They will belong to the organization. The assignment of vehicles of various kinds had extended quite a bit among the various levels of employees. That gave rise to big expenditures in fuel, parts, tires, repairs, etc. Many of those will have their vehicles sold to them. But they will have to repair them themselves, they will have to put their own gas in, and they will have to provide their own tires. I believe that this will bring considerable savings. [applause] They can transport themselves with the private car. They pay the gasoline. They pay everything. It will not be the responsibility of the state. Of course, this is a measure that affects, many of these measures affect the cadres. Several of these measures affect the cadres. But the effects have to begin first of all among the cadres. Above all, economizing must be encouraged.

We do not have the exact figures on how many cars will be needed. We only have estimates of the number of cars needed in central organs or organs of the people's government to replace those currently used in the services or that are actually required in the state central administration and the local people's government organs. Perhaps a few thousand, because, of course, the activities that those central organs and enterprises are engaged in are wide-ranging, broad. Several thousand will be needed. But they won't be the 70,000 the organs now have. Of course, the 70,000 includes motorcycles, scooters, pickups, etc. Even the buses have plates. All these factory buses have the famous blue plate. We hope the number of blue plates or whatever color they are -- official plates -- will be reduced to less than 2,000, or not more than 2,000. That is the idea. That is going to be well controlled. The assigned taxi cabs will have other plates. And we'll have to find another plate for trucks, hospital vehicles, pickups, certain vehicles, all, all, all of which have the same plates, so we can know where each vehicle is and what it is doing. We must demand responsibility for the incorrect use of those vehicles.

The link [vinculacion] was another idea that degenerated. Cars have been sold in the past 10 years to outstanding workers, outstanding technicians. But at first a few cars were sold to technicians who performed very important functions and who put the vehicle at the service of the government. That is where the link comes from. That degenerated. There was a time when there were 20,000 linked cars. Anyone who wanted a vehicle linked it some way or other. This way...[changes thought] the link thus disappears as a rule, although it will be kept in part, because until we apply these measures we won't know what the vehicle deficit will be for indispensable functions and work. It is possible that a few thousands -- 3,000, 4,000 or 5,000 -- will be linked but not at the discretion of the organ and without any control, but through previous central authorization. We will have to know how many a ministry can link and why. It will be centrally controlled so that if it's 4,000, it will be 4,000, because at one time there were 20,000 linked private cars. In recent years this has been reduced somewhat. If we go from 20,000 to 4,000 or 5,000, and if they are well controlled, well justified, then we will also be economizing a good amount of fuel and other motor resources. I don't know if my explanation is clear. I hope my fellow deputies have understood.

We will reduce diet and personnel expenses by 5 percent. I feel we could reduce them more, but we are going to go with this one.

We will reduce foreign currency expenses in travel by 15 percent.

We will eliminate gratuities in workers' lunchrooms in all areas of activity. If the linked wage has been established, if they are paid in accordance with input, and if housing is sometimes provided, there should be no justification. This measure means tens of millions of pesos a year. Therefore the gratuities in workers' lunchrooms are eliminated in all areas of activity.

We will increase retail prices of products from areas that are self-sufficient. Self-sufficiency was established in sugarcane and other agricultural farms so that they would have supplies in the lunchrooms of those items that did not reach them from stocks -- vegetables, tubers. But that, too, incurred excesses. It was distorted a bit. And if we don't put a limit on it, the time will come when sugarcane will be planted for their own consumption. As a result, there was a surplus. In addition to the quotas they received for the lunchrooms, they began to sell to the individual workers.

And it wasn't always small quantities of rice, beans, and so forth, at the same price as those in the quota, which is, as you know, a nominal price [precio incosteable]. It is a subsidized price. They were selling 15 or 20 pounds of rice at the price of regulated goods. Those who had something left over could sell at 1 peso, 1.20 according to circumstances. It turned into an element of income, almost, of income not based on the work. What do we propose? Not fixing them at parallel market prices, but neither at prices of regulated goods. If someone gets more pounds of rice or beans, he has to pay for them at another price, not as high as in the parallel market, but at higher prices than those that are being paid now. It is one of the measures that must be adopted in 1987.

Now, we will increase public urban transport fares, including transportation to and from factories. We estimate urban transport will go up from 5 to 10 cents. This had already been discussed in the main report to the third congress even before these needs arose. Now this measure is being taken in light of our needs. We are trying to reduce to some extent the use of transportation. People sometimes take it just to go two, three, five blocks. The objective is to save fuel as much as possible, regulate, make transportation costs more viable. Because the fares are the same or less, well, at least the same, as 30 years ago, though fuel, equipment, wages have been increasing through the years. What the country spends in tires, batteries, parts is considerable. This puts it on firmer economic bases. It's not that we are going to charge the same as in other countries, which as a rule can be $0.30, $0.35. It's a dollar in New York. With what you spend on a single trip in New York here you could make 20 trips. Now you can make 10. Of course, we are aware that this measure affects personal and family income. The measures on transport and electricity are the ones that really affect the most.

This has to go along with a study on what to do in those articulated buses where there are people who don't pay. What measures can be taken to make it more accessible when you get on a bus. Whether to put coin boxes at the various doors. The comrades in the party and the transport institute are working on that, to see what rational measures can facilitate the use of this transportation and facilitate collection. It seems that we will have to put conductors in those articulated buses. We'll see what measures we'll take, because some people are going without paying those insignificant 5 cents.

We will ensure the self-financing of popular fiestas.

We will revise medical diets, including permanent ones, because diets have also been abused. They go for one stay and they stay forever. Each time there is a diet you try to resolve, to satisfy it. But there are those who give diets out of friendship. I don't know if they are called the same as the certificates of complacency, diets of complacency. They are going to be studied, regulated, because there are about 1.2 million. And sometimes the diet consists of meat, of this and that, of milk. We must have better control of these diets.

We will reduce the number of work events and meetings no less than an overall 50 percent. [applause]

We will modify the schedules of sporting and other recreational events.

We will increase the prices for some parallel market prices -- not all, but some. This is for the same reasons. Because of shortages that could arise, the parallel market must not be given up. It is an important source of income. It helps to resolve some deficits at the discretion of the population.

These are the measures agreed upon. They will help us to find an internal financial balance. They are included in the budget.

And, I repeat, we cannot give assurances that the need might not arise to take additional measures during the year. We will do as much as possible to avoid them, but we cannot give assurances at this time. In 1987, 1988 some other measures will have to be implemented. They might less directly affect the public, but we will have to take them in 1987, 1988 to guarantee development plans and for a better redistribution of income. I say better redistribution because in this case, along with these measures, we are thinking of retirees, for instance, who have less income. The retirees do not enjoy the advantage of adding to their yearly wages with the linking, the productivity. There are some hundreds of thousands whose pensions are less than 100 pesos. They are going to be giving up to 5 pesos extra to those retirees who are receiving less than 100. Up to 5 pesos. The maximum is 5 to those who are getting less, and those who are nearing 100 will get a little less. [rustling of papers] We feel that this increase partly compensates. These pension increases could amount to 40 million pesos. So, part of the income is redistributed. It will be some 40 million pesos each year. I was being reminded that there will also be an increase in inter-province transportation. I had not mentioned it when I spoke of the fare increases. The urban [changes thought] I did not mention it. Increase in the public inter-province transportation fare.

These are all the measures adopted taking into account the situation that more or less directly, to a greater or lesser extent, affects public consumption or fundamentally affects public expenses.

Of course, this situation makes the rectification of errors and negative trends not only a moral obligation and a revolutionary duty, but also essential. We have talked about these errors and negative trends during the year, since the Third Congress; they are beginning to be rectified.

I must say, fellow deputies, that our country has been a privileged country. It has had considerable resources, not only to carry on a strong economic development program which can be seen in the reports from all the provinces. This can be seen very clearly when Havana province, Cienfuegos, Camaguey, Granma speak. They have the inventory of everything that the revolution has achieved in the economic field and the enormous inventory of everything that the revolution has achieved in the social field in the course of these 27 years, despite the imperialist blockade, and despite the inevitable expenses in the services to defend the country and the revolution.

We have had colossal achievements in health, education, sports, in the whole social field, culture. There are very important economic achievements as well. The truth is that there exists our patriotic, revolutionary effort; we are always ready to fight, to make any sacrifice, even sacrifice our lives, which no revolutionary thinks twice about. However this has not been the same in productive activities. [applause]

We have spent practically all that we have wanted to. Enormous sums. And the lady [not further identified] spoke precisely of how everybody wants to resolve in a year all the problems that have accumulated for centuries. Many times they try to go over the plan to solve these problems. They do not have the necessary patience to wait. In all fields: education, health, culture. I gave as an example the day that the drive of our dear comrade Armando Hart was launched, the idea of a cultural module for each municipality. A movie house, library, everything else. And things were done by coming up with some idea for a drive. They said "cultural module," and there went everybody building 10 modules for each municipality, without anyone making any estimates anywhere of how many resources the cultural module required. Fine. Sports fields, everything.

Our country has had the privilege of having all the fuel that it has needed. All the tractors it wanted. Many things, all that it has needed and even more. This has brought waste as a consequence. People were spending without consideration of any sort.

We have wasted fuel, material resources, raw materials, everything. Those are the facts. Until we start economizing. I gave the example of fuel. Without a policy of economizing, those 3 millions would be wasted. For sure. Things are being done in an attempt to overcome deficiencies. But we still have a great deal to do in the area of material production. Far from waging the battle in that direction, vices and negative trends were emerging of all kinds. There were distortions in wages, obsolete standards which were never brought up to date, the standards that remained the same despite the introduction of anything that would raise productivity. The diversion of resources of all kinds. And all the rest of the problems, including the swap among enterprises, between cooperatives and state enterprises, etc. All this that we have been discussing in the course of the year.

Some anonymous heroes among the people fought against those outrages. In the best of cases, they were ignored. Sometimes they were even silenced. There's this girl from Santiago who appeared in GRANMA yesterday and today. These are two articles that are worth reading, so people can become aware of some behavior, some attitudes that we must completely eradicate. This comrade Spencer [rustling of paper, Raul Castro saying "Spencer, Sylvia Spencer," in background], Comrade Sylvia (Marjorie), who worked in the Santiago de Cuba cement factory. She talked about these things. For instance, on 18 November -- I don't know the year -- in a lengthy report to the deputy director of human resources... [Raul Castro whispers "1984, 1983"] 1983? I don't know if this referes to 1983. [Raul Castro says: "She's been fighting 3 years against these devils you were denouncing. And they almost turned here into [word indistinct] puree"] She was reporting wage violations and errors, detected in the payrolls, to the administrative staff. She was alerting them to the fact that with personnel already hired, contracts were made although the position did not exist on the staff. In 1984, in a report dated 25 April, she denounced fellow workers who were reported twice, with workdays of 24, 26, and 28 hours. Many of these cases came up often in the party's talks with the enterprises in the provinces. The wages of some were incredible for a single month: 1,246 pesos, 1,013 pesos, and 8 others; 4 with more than 900 pesos, and the rest with more than 800. There are workers who have a job by agreement [trabajo por acuerdo] and also have entitlements and double pay [horas habilitades y doblajes].

All these things showed up very clearly. There were other similar phenomena in the analysis of the negative trends and errors. Resources have been wasted in all that. Money wasted in incalculable amounts. That is not all. The worst is that this has very negative moral implications, really demoralizing and corrupting effects. The worst thing is that all these things tend to corrupt people. It is very easy to give, to distribute; taking is what's hard.

And that is why I said that the struggle against this trend is no longer just a moral and revolutionary obligation in order for the revolution to move faster, for development to be faster, firmer, more solid. It is a vital economic necessity. This rectification process is taking place precisely when economic difficulties are greater. Some will ask: What does this rectification process produce? If you think about it, you will realize that it can have tremendous effects on the efficiency of production, of services. Tremendous effects on the economy. I am going to cite two examples, to which you have been witness. They came up yesterday afternoon, when Comrade Homero was speaking, a deputy from Cienfuegos. He was telling us what had been accomplished there in the CEN [electronuclear plant]. It was on 19 April, if my memory serves me, when I raised the issue of the CEN, the underutilization of the workday, the demand of 17,000 workers to build that project.

What was the result of that? There alone, there alone, to become aware of the problem of manpower underutilization. They may not have been aware of that problem when they were asking 5,000 workers more for the last stage, when the work would be stepped up. Five thousand additional workers are 5,000 additional workers to be transported from Santiago de Cuba by bus, which uses up 8 [corrects himself] 1 gallon for every 8 km. For 800 km, 100 gallons. They have to get gasoline about three times on the road. Imagine every 30 workers. More than 150 trips by buses Giron 4 and Giron 5 to go to Oriente, which is the only place there is an excess work force, to pick up the 5,000 needed in Cienfuegos. Housing for 5,000. Uniforms, clothing, shoes for an additional 5,000. Food for an additional 5,000, and the people working there in the CEN have a special diet! He was telling us yesterday that by simply raising the utilization of the workday, they had managed to increase productivity from 67 percent, which was the figure given to me, to 78. And they are managing to bring it up to 85. From that moment, when we raised the issue, up to now, they have raised the utilization of the workday the equivalent of 1,000 construction workers. With the utilization of the workday alone. Now you figure what it means that they can build that project with 12,000 workers, instead of 17,000. Doesn't that have repercussions on the economy? I am sure that the 12,000 workers, by utilizing the workday well, at 85 percent, will build that project in the required time and with the required high quality.

Another example came up in what Comrade Lezcano said about using good cadres in that enterprise and following a rational criterion in regard to indirect workers, staffs, services. The approved staff for that very important ironworks went from 1,900 workers to 1,020 workers. Witness the policy to rectify negative trends and errors in a single factory: a reduction of almost half the workers. Nine hundred less workers to transport, 900 workers less to think about getting housing, quotas, food, all that.

See what rectification can do in the material sphere. Two examples only. Extend that to the breadth and length of the country in every new factory. And I say every new factory or service because the present situation can hardly be touched. We would create a tremendous social upheaval. This has to be done slowly, each time there is a new industry, a new factory. Above all, we have to be conscious of these problems.

This does clearly demonstrate what I have repeated so often this year. The role of the party is irreplaceable. Socialism cannot be built without the active, intelligent, wise role of the party. Development is not possible. Nothing is possible. This also demonstrates that the party really works with man. The party organizes, the party educates, the party creates awareness. I have seen these manifestations of awareness making headway. I have already seen centers that want to do the same thing that the genetic engineering center and other centers are doing. This trend is being fostered.

As I said at the Central Committee meeting, we can't now suddenly rationalize everything. No, because we don't have a way to employ them. I believe we have to do it gradually. Each new service, each new project. As we are planning to do in Havana with the expansion of hospital services. We know that there are thousands extra. But we are going to transfer them. We are not going to take them out now. We are not going to create that social, political problem. We are going to be transferring them, redistributing them, so that a hospital will have more beds with the same amount of workers, or with a minimum, if the increase in beds is considerable. That is what we have to start doing. It is more urgent in the western regions than in the eastern, because, as we were saying yesterday, there is a certain surplus in the labor force in the eastern regions, which requires a program in that direction, in the direction of industrial investments.

We cannot take full advantage of these ideas now. We have to do that in the course of time. We have to develop to solve those problems, give the most rational employment to our citizens, both in the field of services and in the field of economic development and material production.

An example of a citizen providing a very valuable service is the family doctor. We have not turned that young person into a bureaucrat, an unproductive worker. Three of them are not doing the work that one can do. We have him with the family, giving security to 600 people, prolonging the life of 600 people, ensuring the well-being of 600 people as much as humanly possible. That is a service that is greatly appreciated. Those doctors that are on the mountain and all over reducing infant mortality and, especially, prolonging life, especially prolonging life.

The programs to increase longevity will not do it so much by reducing infant mortality because the margin left in that area is very narrow. Anything that is done to increase longevity will have to be done on the basis of prolonging the lives of adults and the elderly. Allowing them to live until 80 instead of 70, 85 instead of 75, or 90 or more. The program to reduce infant mortality has helped the children. These programs carried out through the family doctor help the whole adult population.

How more useful to have a citizen with a job of this kind. What does not translate into material production increased will translate into expansion and improvement in very important social services. And we have to do it gradually, slowly. We cannot go galloping in this. We have to think everything over carefully. These two examples in the sphere of material production indicate how much this rectification can achieve materially and socially.

Let's go back a few days, when we had the deferred congress session. Comrade Caballero, member of the Central Committee and new director of the Miguel Enriquez Hospital, was telling us about the fabulous things he had achieved there with the rectification process. Consuming in 3 months the special gasoline that used to be consumed in 1 month. Resolving the problem of 4 or 6 mosquito nets that they needed in the hospital and availing themselves of the 2,000 stored in the warehouses. Resolving the problem of funds, which were exhausted in October. And I am not talking of a material production center. I am speaking about a hospital. How much doesn't remain to be done in this field? In schools, hospitals, everywhere. He did not only save material goods, he improved services, reduced absenteeism among nurses from 7 to 3. Of 52 doctors who did not do watch duty, he reduced them to 2. And so on.

Why couldn't we improve services? Of course, preaching by example, because the first one who stood watch was he. He, who was the director, was doing surgery, seeing patients.

I am simply giving you three examples. These three examples can be multiplied thousands of times throughout the country. Comrades, I sincerely believe that these lean cows in the area of the convertible currency, are lean in a very important area. These lean years could prove to be very useful if these years teach us to be much more efficient, much more economical, much more responsible. I don't know if it's part of our idiosyncracy, what's still left of the individualistic and anarchic spirit, the inheritance of so many centuries of colonialism and neocolonialism, of so many centuries of self-centerdness and capitalism. I don't know if it's because of that, but there is no doubt that any measure here tends to quickly degenerate.

Use interruptos to resolve the problem of the tobacco growers because of the blue mold, they said. And "interruptism" spreads with its sequel of plunder, unwarranted waste, of individuals who broke equipment so they could become interruptos and work on their own -- a l those things came with it.

Let's link the technicians. Very important. They suddenly put their vehicles at the service of the state. Everyone was linked. And many more measures could be mentioned, cases in which useful, positive ideas, immediately get out of control, degenerate. Let's link work. That degenerated into an absurd situation. They were linking everybody, even radio announcers, producers, who knows that, in areas where linking was not approrpriate.

Let's use material incentives, and all of a sudden the material incentives went out of orbit and people were corrupted. And so we have that tendency that requires that we be very careful in everything we do because of the way it immediately gets out of control, people abuse it, and it degenerates.

I am deeply convinced that if we know how to work, if we know how to make the best of this situation, and we become as efficient as is needed to utilize 85 percent of the workday instead of just 60-odd, or if we use only half of all those overinflated staffs we are now using, if we really learn to administer efficiently -- if we had administered the same resources we have had through the years with true efficiency, how many more things would we not have in all fields? Projects would have been 50 percent more, 100 percent more. Yes, that's it. No one knows. What could be done by optimal use of resources is incalculable. We are rather grown up now. We are no longer an illiterate people who cannot understand what the problems are. The people have a ninth grade education. Almost all the young have 12 years of schooling. Professionals, those who have finished college and those who are still in college, now number hundreds of thousands. There should be no justification for going on merrily and irresponsibly.

It would be hard to have more resources than the ones we have had, more outside cooperation. There is no doubt that whatever additional resources we have from now on we will have to get out of our own work, our intelligence, our effort. Nothing will come easy. What we have to do is multiply the fruit of the enormous resources that we have available. If we have scores of tractors, it's not to make them all run. That has been limited for some time, but more could be done. Trucks running around, going where they don't have to go. Tractors used for anything, for private business. Those are all the things we must eradicate, because they are very expensive, very costly for the economy, for the country, for the revolution, all these excesses.

I am not denying that we have made progress in many fields, but there is still a great deal to do. And more importantly, we should take care that what we make progress in one one hand we dont' waste on the other. It is also very important to strictly implement the agreed on policy on priority investments. Each party cadre, each people's government cadre wherever he is must have the list of the priority projects. Whatever they are, a tobacco shed, even if only a tobacco shed, or the extension to a poultry slaughterhouse, as we were saying at the Central Committee, because it saves meat, because it saves feed imports. Big or not, every little project listed as priority must be carried out. Keep the list next to your bed, each one of you, so that these priority projects will be carried out. Those that save imports in convertible currency, those that increase exports in convertible currency.

This does not mean that we should forget the CEN. The CEN is not a number one project. It is a number two project. But when the CEN gets its four reactors we will be saving $500 million in fuel a year. It will allow us to keep increasing our acquisition of electrical appliances. We'll be able to cook with electricity, something we are not doing now because we would considerably increase costs. That is a project that cannot be neglected a single minute. Well, no project should be neglected a single minute, but this one, which has priority, has to be followed closely. And then the others. Because the important thing about this plan, as the lady was saying, is that it be fulfilled. We are going to review how investments are going every 3 months. If on a particular project we can't invest what the plan calls for, then we will centrally transfer from that project to another project that is in a better situation to do more.

We were talking about the need to build more hydraulic works. Well, the planning board must study how much (?rubber), material, resources, fuel are needed for an adequate dams building plan.

I don't know how many millions of cubic meters we will be moving now in that field, but if it is 10, let's make a plan for 20, 30. Let's make calculations as to how much material we'll use. We can't simply measure it in pesos, because a budgeted peso spent on a hospital, which requires so many expenses in convertible currency, so many direct employees [directos], so much equipment, is not the same as a peso invested on a dam. We have to see how much that means in fuel. Well, indirect foreign exchange in cement and other materials. Because you are working with soil, and a peso in a hospital does not generate as much expense in convertible currency as a peso in a dam-building plan.

We must calculate how much a peso in building warehouses is going to cost. What it means, what it cost in foreign exchange. Because it is not going to cost the same as a hospital. The need for a program to build so many square meters of warehouses each year can be clearly seen, not to meet needs in 6 months or a year, but to meet needs at least in 5 or 10. A rational program, a well thought out program. Which and where to build each year.

We have to distribute and redistribute our resources to optimize our economic efforts and our plans and invest there where the investment will more quickly solve big economic problems or big social problems. I am sure that this situation is going to make us much more efficient.

We have a party of half a million members, and in addition, we have the young, the mass organizations. We have enormous resources. These are not the first years of the revolution. Our cadres have acquired enormous experience, the capacity to think, to analyze. We are not facing a difficult task, which is drafting a plan like this. It will bring difficulties, it will bring delays, because it is not easy to carry out trade in these circumstances, in which for the first time we find ourselves in a situation in which we have been unable to meet our financial obligations. This brings difficulties even to carry out trade with the available resources. We will have to work under more difficult conditions than when we had reserves of certain raw materials and certain resources.

We are not going to execute the plan in ideal conditions, but in particularly difficult conditions, in which we will often be lacking one or two indispensable raw materials, or they will be delayed even if we have the other 35 or 36 or 38.

I believe, ladies and gentlemen, that this is the essence of our work, the essence of our problems. If we work well with all our human and material resources, if we take advantage of our relations with the socialist countries and optimize the use of our resources, we will emerge from these difficulties. We cannot think we'll do it in 1988. Things have to be planned on the long term. And the virtues we may acquire in this struggle, this effort, we should enrich them, keep them first of all, enrich them, and develop them further. [applause]

I do believe in several things. One of them is the potential of man, of revolutionary man. Life has taught me that there is no obstacle that cannot be surmounted. I very firmly believe in the potential of socialism.

Socialism may not have yet overcome its inexperience, may not have yet overcome its mistakes, may not have made its methods perfect, but I believe in a method of building socialism based on the consciousness of man, on political work, on revolutionary work, that realistically knows how to use material incentives without corrupting people, without it being the leitmotiv -- let us say the motive -- of their efforts. The advantages socialism has in being able to plan, foresee the future, and work on the long term are fabulous.

The possibilities of building socialism among a people as enthusiatic as ours, as revolutionary as ours, as patriotic as ours -- these are unquestionable virtues above the negative tendencies that I was referring to before -- are fabulous.

When Flavio was speaking about our democracy, comparing it with imperialist democracy, I was thinking that not only does more than 95 percent of the population take part in elections, but look who they elect. It would be difficult in our democratic process to elect a scoundrel, a thief, a multimillionaire. To run for public office in that capitalist society costs billions in publicity -- publicity is one way to pass lies as truth. What a difference form that capitalist system with lack of internal unity, its divisions. And I think of the advantages of a totally united people as here. A single army, capable of hitting with a single fist. The advantages our system has to face any problem. The subjective and objective advantages to set itself any goal. They are incredible. The limitations are in ourselves, in our incapacity to know how to utilize all this fabulous potential. We have come far, we have done many things in these 27, almost 28 years, but as I have said other times, we could have done much more. Many things. Better things. We have made much progress, but we could have made much more in these 28 years.

Today we have the responsibility not only of solving our problems but also to set a good, positive example of how problems can and should be solved in socialism. This means a historic challenge for us of a national nature and also a historic challenge of an international nature.

The imperialists may try to take advantage of our criticism and self-criticism, of our struggle to overcome these mistakes, but this should not worry us at all. They should be worried, really, about what we are doing, this rectification, because they do know that if we do otherwise we would go wrong. We would create all sorts of problems for ourselves in the future. They know that this is the right road. That must worry the imperialists a good deal. I am convinced that we are on the right course, that we are on the right road. I am absolutely convinced. This process is really promising. With all the factors within our reach, if our people in the past were capable of overcoming very big obstacles and win very difficult battles, now that we just had the 30th anniversary of that meeting of Raul and me in Cinco Palmas [applause], I can repeat today: We are truly going to build socialism now. [applause; shouts of "Viva Fidel," "Viva Raul"]

REPORTAGE ON ARMED FORCES ARTICLE BY RAUL CASTRO

For the text of the article "On the 30th Anniversary of the Revolutionary Armed Forces of Cuba: Guarding Socialism's Gains," published on page 3 of Moscow KRASNAYA ZVEZDA in Russian Second Edition, written by Army General and FAR Minister Raul Castro Ruz, see the Latin America & Caribbean section of the 31 December Soviet Union DAILY REPORT.

ENTIRE CABINET RESIGNS AT PRESIDENT'S REQUEST

F1302105 Bridgetown CANA in English 2055 GMT 30 Dec 86

[Text] Georgetown, Guyana, Dec 30, CANA -- The entire Guyana cabinet resigned today at the request of President Desmond Hoyte, his office said.

The action would facilitate a comprehensive and expeditious reorganisation of the government, the office said.

Junior ministers and parliamentary secretaries were also required to hand in their resignations.

The president is expected to announce his new government shortly.

GUYSUCO SAYS SUGAR PRODUCTION HIGHEST SINCE 1983

F1301857 Bridgetown CANA in English 1439 GMT 30 Dec 86

[Text] Georgetown, Guyana, Dec 30, CANA -- Sugar production here in 1986 was the highest since 1983, the state-owned Guyana Sugar Corporation (Guysuco) announced today.

The second sugar crop ended at the weekend with Guysuco's nine sugar factories recording a total of 120,965 tons.

The total production figure for the year was 245,440 or 94.4 percent of the budgeted target of 260,000.

Guysuco recorded a 1985 output of 243,000 tons.

Last year efforts thousands of sugar workers have earned four days tax free pay. [sentence as received]

Workers at Albion, Rosehall and Blairmont estates also gained an additional two days tax free pay because the estates achieved in excess of their production targets.

Guysuco had hoped to extend the 1986 second crop into the first week of 1987 but heavy rains forced a reversal of this decision, the company said.